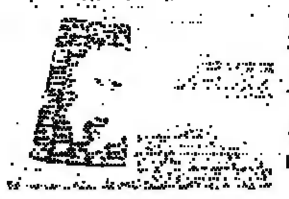
Changing landscape
No quick solutions for Japan's economy
Page 18



Hands at risk
Piano lesson for the workplace
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Coming clean
Why companies reveal pollution secrets
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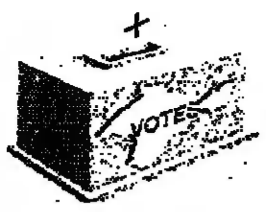

Crimean elections
Focal point for divided loyalties
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FINANCIAL TIMES

Europe's Business Newspaper — WEDNESDAY JANUARY 12 1994 — D8523A

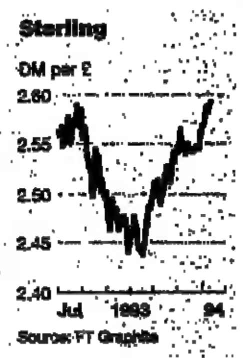
Eurotunnel shares fall as high car fares are revealed

Shares in Eurotunnel, which will run trains through the Channel tunnel between the UK and France, fell sharply after the company announced higher than expected fares for its passenger car shuttle service. Return fares will range from £125 ($185) to a high of £310 at peak midsummer weekends. Analysts fear that Eurotunnel will not attract sufficient business to meet its traffic and revenue projections. Page 14; Fares fail to panic rivals, Page 7; Editorial Comment, Page 13; Lex, Page 14

Clinton puts environment top of agenda: US president Bill Clinton told the European Commission in Brussels that he put environmental protection, anti-trust regulations and labour standards at the top of the agenda for future world trade negotiations. Page 14

Nato closer to Bosnia air strikes: Nato leaders moved closer to using air strikes against Bosnian Serb forces, threatening their use if obstacles to the UN in two Bosnian "safe areas" were not removed. Page 2; Alive but ailing, Page 12

Sterling reaches six-month D-Mark high



Sterling rose to its highest level for six months against the D-Mark as investors bought the currency in the expectation that the UK government will decide against an early cut in interest rates. Ahead of today's monthly monetary meeting between UK chancellor Kenneth Clarke and Bank of England governor Eddie George, sterling rose in London to DM2.5981 before easing to close at DM2.5936, half a pfennig up from the previous day's close. Currencies, Page 30

Japan's reforms near final hurdle: Leaders of Japan's seven political parties agreed to put plans for reform of the discredited political system to the vote in the upper house of parliament next week – the last hurdle before the reforms become law. Page 4; 'Sensei, are we still in hot water?', Page 13

Japan to open up construction market: Japan is preparing to make the country's construction market more accessible to foreign companies in an attempt to avert sanctions by the US. Page 6

France pressed to sell Czech airline stake: The Czech government is pressing Air France to sell its minority stake in CSA so it can regain control of the cash-strapped Czech national carrier, but Air France insists it wants to remain a shareholder. Page 15

ANA seeks marketing links with BA: All Nippon Airways, Japan's largest carrier, has approached British Airways with a series of marketing proposals to help strengthen its international operations. Page 18

Mercedes-Benz said it saw no prospects of recovery for the European truck market, with the exception of the UK, and forecast unchanged turnover for its commercial vehicles division after a decline of almost 6 per cent to DM25.3bn ($14.7bn) last year. Page 17; European carmakers' sales hopes collapse, Page 4

Disease wipes out Geest profits: Geest shares fell sharply on the London Stock Exchange after the company warned that fungal disease on its banana plantations in Costa Rica would push it into the red. Page 21; Lex, Page 14

IDV wins Russian vodka deal: International Distillers & Vintners, drinks division of Grand Metropolitan of the UK, has secured exclusive distribution rights for Stolichnaya Russian vodka in the US and Mexico from PepsiCo. Page 21

Ireland to lift Sinn Féin ban: The Irish government is to lift its broadcasting ban on Sinn Féin, the political arm of the Irish Republican Army, from January 19. Page 14

German workers take cut in real wages: West German chemicals workers accepted a 2 per cent pay rise, representing a cut in real wages, in return for more job security. Page 14

Duchess of Kent to become a Catholic: The Duchess of Kent is to join the Roman Catholic church in an unprecedented step for a member of Britain's royal family, St James's Palace said.

■ STOCK MARKET INDICES		
FT-SE 100:	3413.8	(-26.8)
Yield	3.45	
FT-SE Eurotrack 100	1493.81	(+10.54)
FT-A All-Share	1693.39	(-0.6%)
Nikkei	18,495.25	(+41.81)
New York lunchtime		
Dow Jones Ind Ave	3857.67	(-8.44)
S&P Composite	474.33	(-0.94)

■ US LUNCHTIME RATES	
Federal Funds:	3%
3-mo Treas Bills: Yld	3.024%
Long Bond	100[illegible]
Yield	6.24%

■ LONDON MONEY		
3-mo Interbank	5 7/16%	(same)
Liffe long gilt future:	Mar 118 [illegible]	(Mar 119 [illegible])

■ NORTH SEA OIL (Argus)		
Brent 15-day (Feb)	$13.79	(13.88)

■ Gold		
New York Comex (Feb)	$388.7	(385.7)
London	$385.25	(383.1)

■ STERLING		
New York lunchtime:		
$	1.4895	
London:		
$	1.4913	(1.4955)
DM	2.5944	(2.5883)
FFr	8.8217	(8.825)
SFr	2.2033	(2.194)
Y	167.743	(167.827)
£ Index	82.5	(82.4)

■ DOLLAR		
New York lunchtime:		
DM	1.7483	
FFr	5.9175	
SFr	1.4777	
Y	112.365	
London:		
DM	1.7398	(1.7308)
FFr	5.9156	(5.9013)
SFr	1.4775	(1.4671)
Y	112.485	(112.225)
$ Index	67.7	(67.4)
Tokyo close Y 112.45		

Austria	Sch32	Greece	Dr350	Lux	LFr65	Qatar	QR13.00
Bahrain	Din1.250	Hong Kong	HK$18	Malta	Lm0.60	S.Arabia	SR11
Belgium	BFr65	Hungary	Ft185	Morocco	MDh15	Singapore	S$4.30
Bulgaria	Lw25.00	Iceland	IKr215	Neth	Fl 4.00	Slovak Rp	KSL50
Cyprus	C£1.10	India	Rs60	Nigeria	Naira50	South Africa	R12.00
Czech Rp	CzK50	Israel	Shk6.90	Norway	NKr17.00	Spain	Pta225
Denmark	DKr16	Italy	L3000	Oman	OR1.50	Sweden	SKr16
Egypt	E£5.00	Japan	Y600	Pakistan	Rs40	Switz	SFr3.30
Finland	FM14	Jordan	JD1.50	Philippines	Pso50	Syria	S£60.00
France	FFr9.00	Kuwait	Fils.625	Poland	Zl 32,000	Tunisia	Din1.500
Germany	DM3.50	Lebanon	US$1.50	Portugal	Es225	Turkey	L10000
						UAE	Dh12.00

Chernomyrdin promises caution in progress towards economic reforms

Yeltsin foes unite in new parliament's first session

By Leyla Boulton and John Lloyd in Moscow

Russia's new parliament got off to an acrimonious start yesterday with fierce wrangling between Russia's Choice and an emerging alliance of Communists and ultra-nationalists.

Mr Victor Chernomyrdin, the prime minister, addressing the State Duma, or lower chamber, promised he would gear economic policy towards boosting industrial output and attacked radical reformers for trying to rush market reforms.

"I see every opportunity to launch a new stage of economic reforms, a stage of stabilisation during which we should provide [the right] conditions for producers," he said.

"The government will not allow ill-considered leaps forward and unreasonable shock actions."

Mr Chernomyrdin's comments, apart from being a clear attempt to woo the deputies, underline the fact that he will have a large say in cabinet changes which are likely to further diminish the influence of radical reformers in the government.

After hours of procedural wrangling and complaints about the temporary speaker, the State Duma, which is the most important chamber, managed to take only one significant decision – on the number of deputies needed to register an official faction. Factions are allowed to speak in every debate and have a say in the membership of parliamentary committees.

The maiden session confirmed expectations that Mr Vladimir Zhirinovsky's neo-fascist Liberal Democratic party, the Communists and Communist-orientated Agrarians will be capable of working together when the need arises. Between them they can command at least 211 seats out of a total of 444 (six are still to be filled), giving them the dominant position in the parliament and in some instances the ability to command an overall majority.

President Boris Yeltsin, campaigning to steal the ultra-nationalists' thunder, told the upper chamber that "Russia's calling is to be first among equals" in the former Soviet Union.

But the Duma session gave some heart to Russia's Choice, the radical reformists. With the support of 96 deputies they form the largest single group in the Duma, which could equip them in alliance with other pro-reform parties to block decisions they oppose or deprive a parliamentary session of a quorum.

The session also showed that broadly similar reformist, or so-called "democratic", parties which squabbled during the election campaign are likely to be thrown together by the sheer force of the alliance of Communists and ultra-nationalists.

Deputies are to reconvene tomorrow after devoting today to more consultations on whom they will elect as speaker and as heads of parliamentary committees.

The rouble fell against hard currencies for the second day running, ending the day at 1,293 against the dollar, only six up on the record low of 1,299 to the dollar. Analysts said that it reflected fears of instability in the government, rumours of the resignation of Mr Boris Fyodorov, the finance minister, and a high demand for hard currency to buy imported goods before new import duties are imposed on March 1.

Figures published by the Makroekon-link Institute, part of the State Statistics Committee, claimed that GDP would continue to contract this year, by about 5 per cent from 1993. It said that the gap between rich and poor would increase further, and that 35 per cent of the Russian population would earn below the official poverty level.

The institute claimed the fall in production and living standards in Russia last year had been steeper than admitted by the economics ministry. The institute said that GDP slumped in 1993 by 12 per cent on 1992, and by 29 per cent on 1991, with national income down 13 per cent and production down 16 per cent on 1992.

Associated Press
Rightwing faction leader Vladimir Zhirinovsky calls for parliament to vote on the agenda

Russia's MPs impose chaos on order

Leyla Boulton looks on, bemused, as parliament opens in Moscow to a medley of decisions about decisions

"This is a disgrace," muttered Mr Sergei Kovalyov, a leader of Russia's Choice, the radical reform bloc set up by leading reformist ministers.

"This is a joke," fumed Mr Boris Fyodorov, finance minister, as the morning session of Russia's first multi-party parliament dissolved into four hours of chaotic argument over whether to take a break.

President Boris Yeltsin's new legislature was suspiciously like the disgraced Soviet-era parliament – unruly. But yesterday it was democracy in action.

"It's the beginning of democracy, of something like a parliament. The west had 200 to 300 years to develop democracy while we have had just a few," said Mr Grigory Yavlinsky, the head of the reformist Yabloko bloc. "This is not a joke."

Meanwhile, stung by accusations that he represents a serious threat to democracy, Mr Vladimir Zhirinovsky, the ultra-nationalist leader, tried hard to project an image of respectability, but finally gave up and began shouting.

To the applause of his Liberal Democrats, the second largest group in parliament after Russia's Choice, Mr Zhirinovsky ordered the chamber to stop trying to remove Mr Georgy Lukava – a member of his party who by virtue of being the oldest deputy was serving as temporary speaker."We'll go away and discuss the new speaker until midnight or six in the morning if necessary," he cried at the top of his voice. "But he won't go away until a legally elected speaker comes to take his place."

But Mr Zhirinovsky's help was not enough to stop the 68-year-old academic in military uniform from sinking into the parliamentary quicksand. Error followed error and Mr Lukava finally agreed to share his job with senior citizens from the other factions.

Not that the parliament is short of experienced deputies, with the chamber reading like a Who's Who from its two predecessors. Most prominent was Mr Anatoly Lukyanov, speaker of the Soviet parliament accused of masterminding the 1991 coup against Mr Gorbachev. As Mr Lukava floundered away, many saw Mr Lukyanov as an ideal speaker, for all his past sins.

But after two years in jail and with possible charges still pending after the failure of the coup trial to come to any conclusions, he looked tired and fragile and said he had no desire to return to the speaker's chair.

Meanwhile, the shadow of Mr Zhirinovsky and his likely alliance with the Communists, Agrarians, and ultra-nationalists, had the pro-democracy forces on high alert, resorting to every filibuster they could think of to influence events.

As the Liberal Democrats tried to hurry along procedural votes, Russia's Choice first threatened to walk out and then refused to register its deputies, successfully depriving the assembly of a quorum and ensuring that the logistics of the new parliament were as chaotic as its first deliberations.

Creditor bank threatens to bankrupt Metallgesellschaft

By David Waller in Frankfurt

Deutsche Bank accused one of the largest domestic creditors to the deeply troubled Metallgesellschaft group yesterday of jeopardising plans to restore the Frankfurt-based metals, mining and industrial group to financial health.

The extraordinary public recriminations were prompted by a statement from Mr Manfred Bodin, chief executive of the Norddeutsche Landesbank, who denounced key components of a DM3.2bn ($1.85bn) refinancing which must obtain a seal of approval from creditor banks by 5pm today.

Mr Bodin, whose bank is owed DM240m by the ailing group, condemned the "dictatorial" way in which the rescue had been presented to bankers as an "all or nothing" solution last week.

He declared his reluctance to see Metallgesellschaft disappear but said NordLB would not shy away from taking responsibility for driving the group into bankruptcy if those responsible for conducting talks with the company did not listen to alternative proposals.

The statement from the house bank to the state of Lower Saxony, one of the largest domestic creditors to Metallgesellschaft group, prompted a furious response from Deutsche Bank, Germany's biggest bank, which chairs the committee representing the 100-plus creditor banks.

Deutsche is the largest creditor to Metallgesellschaft as well as a big shareholder in the Frankfurt-based group.

Deutsche said that NordLB's behaviour was "extremely unprofessional", endangering attempts to put the MG Group back on a sound financial footing within a tight time-frame.

Mr Bodin's criticism of the refinancing is understood to be shared by many other bank creditors, especially foreign banks with a comparatively small exposure to the group. The discontent among bankers focuses as much on the way in which the proposals were presented last week on a "take it or leave it" basis, as on the details.

It is thought unlikely, however, that NordLB's opposition to the proposals, or that of other banks, will drive Metallgesellschaft into bankruptcy. Bankers calculate that they will get far less money back under full-scale bankruptcy than under the stringent refinancing proposals.

There is likely to be room for debate over the details of the restructuring. Mr Bodin argued that Deutsche and Dresdner Banks, both leading shareholders in MG, should take greater responsibility for what happened. He criticised the plan to convert DM1.3bn of bank debt into junior convertible stock and said there should be a reduction of the group's capital. The bailout plan also envisages a DM1.4bn rights issue and the provision of up to DM700m of new credit lines for the MG parent company.

West German chemical workers accept wage cuts, Page 14

Maxwell funds get £27m from Lehman

By Norma Cohen, Investments Correspondent, in London

Pension schemes formerly controlled by the late Mr Robert Maxwell were boosted by a further £27m ($37m) when Lehman Brothers, the US-based investment bank, yesterday returned disputed shares – the second such refund of contested securities within the past week.

Last week, Bank of America agreed to return £25m to the Mirror Group Newspapers Pension Scheme, settling a claim which had been the subject of a writ.

The Lehman holdings, units in a Lazard Property Unit Trust and shares in the Daily Telegraph were part of a £100m writ filed against Lehman Brothers last September by Robson Rhodes, liquidator of the Maxwell-controlled fund manager, Bishopsgate Investment Management.

Lehman Brothers said it intended to defend vigorously its claim to the remaining £73m. However, it said it "continues to support initiatives designed to achieve an early resolution of the disputes surrounding the collapse of the Maxwell empire".

The shares were returned last November, but Lehman Brothers and Robson Rhodes delayed announcing the development while they discussed a possible settlement of the entire claim.

The refund was made after Robson Rhodes informed Lehman Brothers it would seek a so-called summary judgment in respect of that portion of its writ. "Our claim to these shares was so good it was not even a triable issue," said Mr Neil Cooper, partner at Robson Rhodes. Among other things, the Lazard PUTs could only be owned by a tax-exempt entity such as a pension scheme and Lehman Brothers could not legally have taken title to them, the writ alleged.

Robson Rhodes has been seeking return of the securities from Lehman Brothers since December 1991, and has in the past accused Lehman Brothers of trying to obstruct its efforts to trace assets claimed by pensioners.

Yesterday, Lehman Brothers said: "Having satisfied ourselves of the facts of the claim and that the securities belong to the Common Investment Fund [of the

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CONTENTS

Europe undergoes change in defence identity

By David White, Defence Correspondent, in Brussels

The US and Britain were both determined that the Nato summit – the alliance's first since 1991 – should not be dominated by Bosnia. But it was Bosnia and the deal Washington was negotiating to get rid of nuclear weapons in Ukraine that took the headlines.

If the substance of the meeting appeared less dramatic, it was because it was all foretold, carefully prepared over several months to avoid surprises and clashes. Apart from one addition hardening the threat of air strikes against Bosnian Serb forces, there were no last-minute changes to the joint declaration drafted in advance of the meeting.

It was a contrast to previous Nato meetings at which officials have spent whole nights haggling over wording. No longer held together by a military threat, Nato could not afford confrontation. Both the US, which proposed it, and the European allies wanted it to renew their relationship.

The Europeans obtained from President Bill Clinton a strong commitment to Nato and a promise to keep around 100,000 troops in Europe, a third of the US presence in the cold war. The 16 leaders endorsed a gradualist policy towards incorporating former communist countries of the Warsaw pact, inviting them and other non-Nato nations in Europe to sign up to military co-operation under the Partnership for Peace programme. They backed other US proposals to involve Nato in dealing with new threats resulting from the proliferation of nuclear, chemical and biological weapons and to set up new command arrangements to cope better with peacekeeping and other missions.

An aspect that attracted less attention was the unprecedented emphasis given to Europe's role in defence in line with the ambitions of the Maastricht treaty. In the 26 paragraphs of the joint declaration issued at the end of the two-day metting yesterday, the mystical catchphrase "European security and defence identity" is mentioned no fewer than seven times, "the European pillar of the alliance" five times, and the Western European Union, the body destined to evolve as the EU's defence arm, eight times.

Washington has become a firm supporter of a stronger European role, to a degree that may make British policymakers a little uncomfortable. The US, traditionally suspicious of any threat to its leadership of Nato, is no longer willing to provide the resources needed to hold the alliance up on its own – thus the need for a more solid European pillar.

Mr Clinton recognised yesterday that the WEU would have an important role in future, although Nato would remain "the linchpin of mutual security".

The planned new command structure for Combined Joint Task Forces, to be built into existing Nato headquarters, is designed to create a bridge between the two bodies.

It will include the French, who are not part of the alliance's military organisation but have moved closer to the Nato mainstream in the field of "peace support" activities, in which they provide the largest number of UN troops.

The flexible command arrangements will enable the WEU to deploy task forces in cases where Nato – or the US – does not want to participate. Some European allies, however, are wary of giving the US an effective veto on WEU operations. Any use of jointly-held Nato military assets would have to be approved by all 16 allies.

The joint task force arrangements could also bring in non-Nato European countries. Mr Clinton said the new structure would help to put the Partnership for Peace programme into action by providing "a vehicle for eastern militaries to operate with Nato forces".

Multinational troop formations already form the basis of Nato's post-cold war troop structure in Europe, but it is questionable how usable they are for deployments outside allied territory.

Mr Manfred Wörner, the organisation's secretary general, said that the allies had "made Nato fit for acting". The test for the alliance will now be its ability to respond to demands beyond its borders, on missions that as recently as five years ago would have been considered none of Nato's business.

Nato moves closer to Bosnian air strikes

By David White

Nato leaders yesterday moved closer to using aircraft against Bosnian Serb forces, threatening air strikes if obstacles to the UN in two Bosnian "safe areas" were not removed.

The threat to use US and allied air power in pursuit of specific objectives came as the result of a joint French-British initiative adopted at the Nato summit. Allied heads of government called on UN military authorities in former Yugoslavia to draw up urgent plans to get fresh UN troops into the Moslem enclave of Srebrenica and examine ways of opening the airport at Tuzla for humanitarian relief.

The latest threat, designed to respond to increasing pressure on Nato to take effective action in Bosnia, was added to a joint declaration by the 16 leaders at the end of their two-day meeting. The declaration said Nato was determined to eliminate obstacles to the UN Protection Force (Unprofor) in accomplishing its mandate. However, Mrs Tansu Çiller, the Turkish prime minister, said she was disappointed that the threat did not amount to an explicit ultimatum to the Bosnian Serbs.

US President Bill Clinton said he strongly supported the initiative. However, according to French officials, the US pleaded with France before the summit not to put action on the two Bosnian safe areas on to the agenda. Mr Clinton, who warned the other allies during the meeting against making empty threats, said Serb activities in either area "could require the use of Nato, including US, air power".

Mr Manfred Wörner, the Nato secretary-general, said there was "a stronger determination" to implement the threat of air attacks which allies issued last August. The situation in Srebrenica, where a contingent of Dutch troops is due to relieve 300 Canadians but are being blocked by Serb forces, was described as "intolerable" by Mr John Major, the British prime minister. "It is quite clear that if it is necessary to use air power to achieve [the rotation of forces] then we would be prepared to use it," he said.

President François Mitterrand of France said he expected Mr Boutros Boutros Ghali, secretary- general of the UN, to approve the plan.

However, although all allies signed up to the new policy, Mr Clinton admitted there were still divergences. "Some of us, I think it's clear, were stronger than others about the appropriateness of it," he said.

Mr Jean Chrétien, Canada's prime minister, said bombing was a last resort. "We always said we are not enthusiastic about air strikes," he said. Earlier, Greece and Denmark also expressed reluctance about attacking the Serbs. Mr Clinton said he had insisted on keeping Nato's earlier threat to employ air power to help relieve the shelling of Sarajevo, the Bosnian capital, but accepted that this was the subject of differences among the allies, some of whom were worried about reprisals against their troops on the ground.

But, with UN troops increasingly endangered, Nato was "closer to real unanimity", the president added.

Serbs continue to express resistance to west's demands

By Laura Silber in Belgrade

Bosnian Serb leaders yesterday rejected a Nato call for the opening of the airport in Tuzla, the biggest stronghold of the Moslem-led Bosnian government outside the capital Sarajevo.

At the same time, however, Mr Nikola Koljevic, vice-president of the self-styled Bosnian Serb state, said he expected that Serb forces would comply with the Nato demand to allow the rotation of Canadian United Nations troops stranded in Srebrenica, a Moslem enclave.

In a telephone interview, Mr Koljevic said: "We have always rejected the opening of the Tuzla airport," adding that his government would refuse to discuss the matter until an overall peace agreement was signed.

Bosnian Serb chiefs are against the opening of Tuzla airport, vital to the survival of the government enclave inhabited by some 380,000 people, on the grounds that their Moslem rivals would use the airfield to smuggle weapons. Serb forces have blocked off multi-ethnic Tuzla, a key urban centre where much of the industry is still intact, since the outbreak of war. Croat troops have banned all commercial traffic to the city.

Privately, UN officials on the ground feared that the Nato communiqué would fail to stop the conditions in the UN "safe areas" from deteriorating. "It is just sabre-rattling," said a seasoned UN worker.

Stressing the importance of air links, UN officials pointed out that the airport in Sarajevo helped keep alive the city's 380,000 trapped inhabitants. "The Sarajevo airport on many occasions is the main route in," said Miss Lyndall Sachs, spokeswoman of the UN High Commissioner for Refugees. She said the eastern enclave of Srebrenica had changed from "a living hell" to "survivable" after it was designated last spring as one of six UN "safe areas". Srebrenica, in the Drina valley, remains a symbol of Moslem resistance against the onslaught in eastern Bosnia by Serb forces in April 1992.

Reuter

President Clinton attending a press conference in Brussels yesterday after meeting European Commission president Jacques Delors

Clinton camp sees its man as winner

Lionel Barber and Jurek Martin assess the results of the US president's maiden voyage in Europe

Before the Nato conclave was even half over, Mr Warren Christopher, the US secretary of state, declared: "This has been President Clinton's summit."

This is natural, and not only for US officials. All heads of government put their distinctive stamps on summits, be they economic, military or regional. Mr John Major's aides in Brussels were spinning his contributions for all they were worth, at least in the hope of getting decent play on the front pages back home.

Yet there seems to be a sense of satisfaction on the US side that Mr Bill Clinton has performed as well as they believe he has on his maiden presidential voyage to Europe, given all the heavily publicised anxieties supposedly greeting him.

Three highlights, in their mind, stand out: first, the Sunday speech in which Mr Clinton emphasised in the strongest terms US moral and practical support for a Europe integrated economically, politically and militarily was exclusively directed at his European audience and apparently well received.

Second, the Ukrainian nuclear agreement has been generally interpreted as a "foreign policy triumph", of which Mr Clinton's first year saw too few. It means he will not leave the former Soviet Union empty-handed, regardless of what difficulties there are in his talks with President Boris Yeltsin in Moscow, although officials in Kiev yesterday cautioned that its ratification by parliament was no foregone conclusion.

Third, US officials really do believe that Mr Clinton dominated the Nato summit itself, both in his exposition of the Partnership for Peace programme of co-operation with eastern Europe, though this was a pre-cooked agreement, and in avoiding a transatlantic rift over Bosnian policy.

On this, at least, there was independent verification. Mr Manfred Wörner, the Nato secretary general, with whom Mr Clinton seems to have struck up a good relationship, said yesterday that "everybody was impressed by the strong leadership and personal conviction of the US president". But a lot of this back-slapping – the Americans call it log-rolling – is to be expected, since members of the club tend not to knife each other in public. Of greater interest is what may be said off-the-record, particularly by those on the European side previously unfamiliar with Mr Clinton.

Senior Brussels officials were clearly impressed with Mr Clinton's energy, intelligence and grasp of detail. The sense of a new generation of leadership came across during a news conference at the European Commission yesterday, in which the US president's fluency contrasted with a visibly shaky Mr Andreas Papandreou, prime minister of Greece, which holds the EU presidency, and an occasionally wordy Mr Jacques Delors, Commission president. "Clinton really can talk about the 21st century, these other people simply won't be around," said one observer.

The US president also appears to have charmed the French, perhaps at the expense of ignoring the British. His Monday tête-à-tete with President François Mitterrand and Mr Edouard Balladur, French prime minister, included an improbable compliment about France's "constructive co-operation" in concluding a Gatt world trade agreement.

More substantively, the US decision to give explicit political recognition to an independent Europe-only defence capability operating under the Nato umbrella signifies a strategic shift.

In contrast with the Bush administration, Mr Clinton appears much more relaxed about allowing the West European Union to take on greater burdens such as peacekeeping.

German and French officials said the US move marked a big step toward a credible "European pillar" in Nato and a recognition of the potential in the Maastricht treaty's provisions for a common European foreign and security policy.

There are three question marks. First, US efforts to redistribute the burden of defence in Europe could easily be misinterpreted as disengagement. Second, a distinct European "defence identity" will amount to nothing if the Europeans themselves cannot muster the political will to act, as the divisions over the wisdom of future action in Bosnia once again showed this week.

Third, and more broadly, it is unclear what the administration's call for greater political, economic and military integration in Europe, including Russia, means in practice. Mr Clinton spurned the chance, for example, of creating parallel tracks for the east Europeans to enter Nato and the EU.

In fairness, Mr Clinton forestalled some objections by spelling out a commitment to maintain 100,000 troops in Europe – a pledge warmly welcomed by the British and Germans. Moreover, his reluctance to set out blueprints for European integration matches the mood of uncertainty among Europeans themselves after ratification of the Maastricht treaty.

Ukraine nuclear pact in doubt

By John Lloyd in Moscow

Ukraine's agreement to rid itself of nuclear weapons remained in doubt yesterday as both government officials and opposition spokesmen in the capital Kiev blew cold on the deal promoted as the centrepiece of the summit between presidents Bill Clinton and Boris Yeltsin in Moscow tomorrow and Friday.

Mr Yuri Sergeyev, the Ukrainian foreign ministry spokesman, said that "the form (of the agreement) has not yet been fully worked out". A document other than a formal agreement could be signed at the ceremony planned in Moscow on Friday between the US and Russian leaders and the Ukrainian president, Mr Leonid Kravchuk.

Mr Vyacheslav Chornovil, leader of the opposition nationalist Rukh party, told the Interfax-Ukraine news agency that "president Kravchuk has no authority to sign such an agreement. Nuclear policy is for parliament to work out". Both parliament and the president are up for election this year – the legislature in March and Mr Kravchuk in June. Fears of Russian expansionism, as well as nationalist demands that Ukraine remain a nuclear power, have invalidated pledges Mr Kravchuk has previously made.

Russian officials were also sceptical about the agreement being signed – or, if signed, fulfilled. Mr Vladimir Lukin, the Russian ambassador to Washington, said in Moscow that "there is an agreement but there are several difficult precedents" of such agreements breaking down.

The agreement in principle would see the 1,800 of Ukraine's nuclear warheads returned to Russia over the next three years, in return for a complex and extensive package negotiated by the US and finally agreed in Washington last week by officials from all three countries.

Eastern Europe caught up in new arms race

Defence fears and potential profits in the weapons trade have forced states to change track, writes **Anthony Robinson**

Central European leaders meet President Bill Clinton today aware that in future they will have to pay more attention to their own defence. This conviction had been growing long before the rise of Mr Vladimir Zhirinovsky underlined the potential risk from Russian nationalism.

The initial revulsion against the arms trade from the idealistic former dissidents who formed the first post-communist governments did not last long. It gave way to a more sombre reassessment of future military requirements and a more aggressive approach to selling arms on world markets. What remains is a deep reluctance to jeopardise economic reforms by diverting funds from hard-pressed budgets to the military.

Strapped for cash, several of the former Warsaw pact states have been quietly turning to Russia to update their arsenals, taking advantage of Moscow's willingness to supply arms in return for writing off rouble credits left over from the old days of state trading.

The Hungarian army, for example, was always kept small and poorly equipped by Moscow after it sided with "counter-revolutionaries" during the 1956 Budapest uprising. But the war in neighbouring Yugoslavia and a resurgence of anti-Hungarian sentiment in Slovakia and Romania, two other neighbours with large ethnic Hungarian minorities, caused Budapest to take a fresh look at its armed forces two years ago.

Russian President Boris Yeltsin, on a visit to Hungary, offered to supply modern Mig-29 fighters, spare parts and equipment worth \$800m (£540.5m) in partial repayment of Russia's \$2bn accumulated trade debt with Hungary. The Hungarian government agreed. It wanted to deter repeated breaches of Hungarian airspace by Yugoslav air force jets making intimidatory flights over Croatian villages across the Danube. Further negotiations are taking place between Budapest and Moscow over the possible acquisition of sophisticated surface-to-air missiles.

Shortly after the original Russian aircraft deal, the German government donated spare parts and equipment from the vast stockpile of military equipment inherited from the former east German army.

To allay the fears of sensitive neighbours, Budapest announced it was destroying 510 older tanks to fulfil its obligations under the Conventional Forces in Europe (CFE) agreements which led to the scrapping of thousands of tanks and other arms throughout the region. But this did not mollify Mr Vladimir Meciar, the Slovak leader, who arranged a matching MiGs for credit write-off deal with Moscow last autumn.

Hungary's decision to upgrade its military equipment drew attention to the non-Russian factors conspiring to make governments and arms producers reassess their military thinking throughout the former Soviet bloc.

The clearest turnabout is apparent in both sides of former Czechoslovakia. The moral revulsion of the leaders of the 1989 "velvet revolution" against communist Czechoslovakia's role as an arms manufacturer and exporter led to a virtual embargo on arms exports. But this had a devastating effect on arms factories and related heavy industries located mainly in Slovakia and became a big element in the divorce between the two states last year.

Czech and Slovak arms exports dropped from a peak of CzKr27bn (\$1bn) in 1987 to only CzKr6bn in 1992 while arms companies from the west and other former Warsaw pact states scooped up potential contracts.

Once Slovakia gained its independence, however, Mr Meciar made clear that former federal restrictions on arms sales were no longer valid and the Czech Republic has also been busy re-building a smaller but more competitive arms industry, with industrial groups like Skoda Pilsen attracting western partners to produce updated arms.

Poland, like the other former Soviet satellites, has retired hundreds of Soviet-trained senior officers. It now faces a power struggle over political control of the armed forces between President Lech Walesa and the new left-of-centre government. It has also been discussing co-operation with foreign companies, including Israel with its close military hardware links with the US and South Africa. All the former Warsaw pact countries of central Europe are operating new defence strategies which reduce the overall level of forces and shift units away from the western deployment demanded in the old days.

But progress is slow, largely because of the cost.

It is not that Poland sees an immediate military threat from the east, although Warsaw is anxious to see the complete Russian military withdrawal from Estonia and Latvia and remains nervous about the concentration of former Soviet forces in Kaliningrad. This Russian port-city enclave on the Baltic has an estimated 300,000 troops and their equipment withdrawn from east Germany and awaiting repatriation. Kaliningrad has become one of the great arms bazaars in a region awash with military equipment and demoralised soldiers.

The most worrisome scenario remains the prospect of a destabilising wave of economic refugees. This is not a problem which can be solved by military means, but higher unemployment in the former Soviet states is inevitable if the military-industrial complex is slimmed down. Ironically the prospect of mass unemployment in the military industries may recede somewhat as the military-industrial lobbies regain ground in post-election Russia, but Poles fear this will tend to reinforce the political influence of hardliners who remain unreconciled to the loss of the Baltic states and central Europe.

HUNGARY WELCOMES JOINT EXERCISES

The first joint military manoeuvres between Nato countries and their "partners for peace" in eastern Europe could take place as early as this year, according to Mr Geza Jeszenszky, Hungary's foreign minister, write Patrick Blum in Prague and Nicholas Denton in Budapest.

Mr Jeszenszky, speaking yesterday on the eve of east European leaders' meeting with President Bill Clinton, said Budapest would welcome exercises on Hungarian territory. After initial doubts, Hungary has taken a more positive view of the Partnership for Peace and interpreted the initiative as a route to full Nato membership. Partnership for Peace has brought to the surface sharp differences between the four countries of the Visegrad group – Poland, Hungary and the Czech and Slovak republics.

All four want to join Nato as a guarantee for their security which they feel could be threatened by a resurgence of Russian expansionism, and as a means of strengthening their own democracies. But while Poland, Hungary and Slovakia wish to act as a group, the Czech Republic believes it can achieve its aims more quickly on its own. Poland's President Lech Walesa warned on Monday in Lidove Noviny, a Czech daily newspaper, that Prague's approach could harm all Visegrad countries.

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NEWS: EUROPE

ILO says minimum wages have fallen far below subsistence levels

Concern on E Europe poverty pay

By David Goodhart, Labour Editor

Russia's minimum wage, of about $7 a month, has fallen to just 20 per cent of the income needed for "physiological survival", and minimum wage levels are little better throughout eastern Europe, according to a report published by the International Labour Organisation.

The ILO's eastern European team in Budapest argues that minimum wages have fallen so far behind both average wages and subsistence levels that they have ceased to function as a protection against poverty.

Mr Guy Standing, director of the ILO team, says that because minimum wages are the basis for welfare benefits, governments have held them down as a means of controlling expenditure.

In Ukraine the minimum wage is even lower than in Russia, in Bulgaria the minimum wage is about 60 per cent of the subsistence level, in Albania it is 24 per cent, in Romania less than 50 per cent, in Estonia 61 per cent, in Hungary 64 per cent, and Poland 70 per cent.

"When unemployment or disability benefits are held to less than $10 a month because the authorities set those benefits at the minimum wage level, they do not even give enough to pay for bread and milk," says Mr Standing. "The formal link between transfer payments [from governments to individuals] and the minimum wage must be severed."

The minimum wage has also fallen sharply in relation to average wages, which have themselves been falling rapidly. In 1993, wages in Russia grew by 12 per cent, but after falls of 45 per cent, 38 per cent and 60 per cent in 1990, 1991 and 1992 respectively. Hungary has had the lowest fall, with wages stable in 1990, falling 6 per cent in 1991, 3 per cent in 1992 and another 3 per cent in 1993.

The decline in the minimum wage has also led to a large increase in inequality. "The most notable change has been the declining position of those working in government organisations where wage scales have been rigidly based on the minimum wage," according to Mr Daniel Vaughan-Whitehead, one of the co-authors.

He said that people are surviving because they have second jobs in the black market, because they also receive payment in kind and because they have independent sources of food.

European bank chiefs pay visit to future home

By Christopher Parkes in Frankfurt

Yesterday, on or around the spot on which Charlemagne convened his Imperial Council of spiritual and temporal leaders of the Frankish empire in 794, Europe's monetary monitors gathered to discuss housing, pay and conditions.

The 12 governors of the European Union's central banks, under the presidency of Mr Alexandre Lamfalussy, met formally for the first time under the banner of the European monetary institute, ground-breaker for the proposed European central bank.

Under a marquetry representation of the German eagle in the Frankfurt city hall, Mr Lamfalussy disclosed to the press last night that he had short-listed the city's obelisk-like Messeturm building and the nearby Poseidon building as potential homes. Since the Bundesbank already occupies several floors of the Messeturm, pundits favoured Poseidon as the diplomatic choice.

Mr Lamfalussy did not expect to move in for some months, however, because there was a lot of "housekeeping" to be done. He also had to find a director general to report directly to him. Offers were clearly not welcome. He personally, he stressed, would nominate a candidate.

Yesterday's meeting had agreed on the organisational base. A total workforce of up to 250 people would be built up gradually to service five department heads: economics and statistics, a general secretariat, administration, reserve management and information systems and communications.

The department heads would be paid at around the rates on which European Commission A2-grade *directeurs* currently subsist. The director-general was worth the Brussels A1 rate, while it had been proposed he be paid a commission vice-president's salary.

Yesterday's "symbolic" appearance in the EMI's future home also elected Mr Maurice Doyle, governor of the Bank of Ireland, as the institute's vice-president. Mr Lamfalussy defended his colleague against press charges of lack of seniority with a hymn of praise for Ireland's remarkable macroeconomic record. As a representative of a relatively poor EU member, he added, Mr Doyle would bring to the institute a "sensitivity" to the needs of poorer countries.

As to the EMI's functions, Mr Lamfalussy was less precise. Its role was "freely interpretable" in some ways, he conceded. But he had high praise for recent evidence – the convergence of the French, Belgian and Danish currencies to within the narrow ERM fluctuation bands formally suspended year – of the effectiveness of co-operation between central banks. The movements had not been acts of God. "Osmosis" had also played a role in the "impressive convergence" of inflation towards 2 per cent.

He effectively ruled out the possibility of a European central bank emerging from its EMI embryo by 1997, and refused to speculate on the next target date, 1999. But he could not ultimately imagine the EU, already heavily integrated, functioning properly without a common currency.

Half-promising the EMI would move to its new home, Frankfurt, in September, he sped off to his Basle base, leaving the assembled media without champagne, sandwiches or ceremony.

Mr Hans Tietmeyer, the Bundesbank president, will be the new chairman of the Group of Ten central bank governors who gather at the Bank for International Settlements in Basle each month to discuss international monetary issues, writes Peter Norman. Mr Tietmeyer succeeds Mr John Crow, the outgoing governor of the Bank of Canada, at the end of this month.

Associated Press

Head of an Abkhazian delegation, Mr Sokrat Jinjolia, at talks in Geneva yesterday with Georgian officials aimed at resolving the separatist conflict in the former Soviet republic. The talks follow a preliminary ceasefire signed in the Swiss city six weeks ago

Greek state pay rise to top 7%

Greece's socialist government is about to approve a 1994 pay increase for state workers of 5 per cent in January and 5 per cent in July, Labour Minister Evangelos Yiannopoulos said yesterday, Reuter reports from Athens. He expected the government to finalise its decision tomorrow.

The pay rise, averaging 7-8 per cent over the year, would be adjusted in January 1995 if the government failed to cut inflation to under 10 per cent by December. Inflation was 12.1 per cent year-on-year at the end of 1993.

Baltic oil terminal agreed

Latvia and Lithuania have agreed to build a new Baltic Sea oil terminal in the Latvian port of Liepaja, Reuter reports from Moscow. Agreement came at talks between the premiers of the two former Soviet republics, Latvian radio said.

Interfax news agency said last month that Latvia and Lithuania were planning a joint venture to build the terminal, 51 per cent owned by Lithuania and 49 per cent by Latvia. Latvia had previously proposed a terminal at its Ventspils port, but Lithuania rejected this. Lithuania wants the terminal to diversify resources for its Mazeikiai refinery, at present dependent on Russian supplies.

Bulgaria starts bank debt talks

By Theodor Troev in Sofia

Bulgaria and its London Club commercial bank creditors yesterday began detailed discussion in Frankfurt of last November's outline agreement for a 50 per cent reduction in its $9.3bn debt to a group of more than 300 commercial creditor banks led by Deutsche Bank.

Previous talks had reached deadlock, with Bulgaria seeking a 70 per cent discount while the banks offered only 38 per cent. The talks take place against renewed weakness for the Bulgarian currency, with the lev losing nearly 10 per cent of its value against the dollar in recent trading.

Mr Stoyan Alexandrov, finance minister, who heads the Bulgarian delegation, said a final agreement might not be signed earlier than the middle of this year. A deal depends not only on reaching agreement on technical details with the banks but on a new standby agreement with the International Monetary Fund.

Bulgaria has had to rely on financing from the IMF, the World Bank and foreign aid since 1990 when the socialist government stopped first interest and then capital repayments on foreign debt.

IMF officials visited Sofia last month; they said they wanted to see a budget deficit ceiling of 6.2 per cent of GDP before moving ahead with a new standby arrangement and a $300m special loan for countries in transition.

Poll campaign strains ties that bind Crimea

Jill Barshay reports from Simferopol on the republic's dangerous tensions

Crimea's first presidential elections, due next Sunday, are providing a new and dangerous focal point for the republic's competing loyalties to the states of Ukraine and Russia.

Sensitivities over the republic's status run high in both Moscow and Kiev, not just as an issue of territorial integrity, but also as the home of the disputed Black Sea fleet, now awkwardly shared between the two states.

Ethnic Russians make up roughly 70 per cent of Crimea's population and Ukraine's President Leonid Kravchuk has been hard pressed to respect their interests while also satisfying the demands of Ukrainian nationalists.

A compromise solution, in April 1992, was Kiev's proclamation of Crimea as an "autonomous part of the Ukraine". The constitution that followed set up the office of Crimean president, but the republic's moderates sought to stall an election, well aware of the nationalist sentiment that it was likely to arouse. In the end, they could hold it off no longer, and the possibility of a realignment with Russia now looms large.

Only one of the four front-runners, Mr Nikolai Bagrov, who is Crimean parliamentary chairman, is advocating the republic's continued status as a province of Ukraine – which it has been since Russia handed it over in 1954. The others all favour some form of reunification with Russia.

The Crimean parliament has already declared independence from Ukraine once, in May 1992, and threatened a referendum on joining Russia. However, it quickly caved in to Ukrainian pressure to reverse its stand. Nonetheless, it has gained more autonomy than any other Ukrainian region, including the right to levy its own taxes and establish foreign trade representations, and Mr Kravchuk will be reluctant to let the republic move further away from Kiev.

Moreover, if the vote went against Ukraine, or if Kiev anyway acted to strengthen its hold on the Black Sea peninsula, Russia would now be more likely to step in "to protect the interests of Russians living in the near abroad," as Mr Andrei Kozyrev, Russia's foreign minister, stated recently.

But there seems little awareness that the elections could provide the justification for interventions by either Ukraine or Russia. The campaign has been dominated, instead, by illusions of the republic's economic potential with Russia's patronage.

Since becoming part of independent Ukraine in 1991, Crimea's 2.5m residents have seen their fortunes decline with the tumbling Ukrainian currency, the karbovanets.

One leading candidate, the Communist party leader Mr Nikolai Grach, is promising the return of a socialist state through the creation of an economic union with reforming Russia. His rhetoric of workers' rights and social welfare guarantees rings well with Crimea's influential pensioners: a third of the populace are privileged retired Communists in the peninsula's fashionable coastal resorts.

The most extreme is Mr Sergei Shuvainikov, a nationalist representing Crimea's Party of Russia, which has ties to Mr Zhirinovsky's ultra-nationalist Liberal Democratic party. He wants to unite with Russia immediately, through executive order.

Mr Yuri Meshkov, a pro-Russian candidate whose headquarters are a seedy Afghan war veterans' cafe, tries hard to portray himself as a moderate advocate of Crimean independence, but promises to "create a single economic zone with Russia" and hold a referendum on uniting with Russia.

Mr Meshkov admits that Russia has not yet said it will agree to absorb Crimea, but he is convinced that "Russia's policy toward Crimea is one thing – Ukraine is another. We're part of the Russian people. It's like the relationship between England and Yorkshire, not between England and Scotland."

Mr Meshkov asserts that his pro-Russian programme can be implemented peacefully, without pitting Crimea against Ukraine.

"I don't see a reason for Kiev to be upset. Kravchuk said at the end of December that 'what goes on in Crimea is Crimea's business'."

Mr Meshkov also plays down the importance of the 700,000 ethnic Ukrainians and 300,000 Crimean Tatars on the peninsula.

"There are no social divisions in Crimea, little support for Rukh [the Ukrainian nationalist movement], to catalyse such a conflict."

Both the Crimean Tatars and Rukh are expected to vote for Mr Bagrov, who was seen as a front-runner although pre-election opinion polls have been legally forbidden.

However, despite support from business interests seeking stability, his popularity has reportedly waned as the Ukrainian economy has deteriorated.

Initially, Crimeans thought they would be better off economically apart from Moscow. But now they are hostage to Kiev's economic mismanagement and must cope with hyperinflation and severe energy shortages with the loss of virtually free Russian oil and gas.

"Ninety per cent of Crimea's enterprises are in a critical state," says Mr Vladimir Shevilyev, one of Crimea's wealthiest entrepreneurs and a supporter of Mr Bagrov.

The energy crisis has shut down 35 per cent of Crimea's enterprises and forced another 55 per cent to operate at half capacity. Most aircraft at the capital's airport are grounded for lack of fuel. By contrast, Russia is perceived as an oasis of riches.

"Everyone I know is debating between Shuvainikov and Meshkov," said a young Crimean militia officer en route to his village for the Slavic Orthodox Christmas.

"With Russia we'll have a real currency and oil. They'll take care of us."

Commission struggles to hold ring on animal welfare in EU

Deborah Hargreaves on an issue that deeply divides member states

Four British men were recently challenged by a vegan author to spend a week living like battery hens in return for a payment of £10,000. They were required to squat in a scaled-up cage with no toilet facilities living off rice and beans.

The fact that they lasted only 18 hours before giving up was heralded as a triumph by some of Britain's more radical animal welfare campaigners. Farmers were scathing: "How the hell can you compare feelings of a human being with those of a hen?" said one livestock producer.

There has been a big public response to the British campaign by the Royal Society for the Prevention of Cruelty to Animals. But, like other national governments in the European Union, the British cannot make changes to legislation on animal welfare without the sanction of Brussels.

Rules governing the treatment of farm animals which include journey time limits and the size of battery hen cages are set in Europe. But the European Commission is deeply divided between countries in the north and south.

"The trouble is, there is little tradition of animal welfare in countries like Italy and Spain," said one Commission official. Public pressure groups pushing for improved conditions for animals are also not so well established in these countries.

The gulf between different EU countries was evident last month when the Commission tried to get agreement on new rules governing the transport of live animals.

Germany, the Netherlands and Denmark insisted on an eight-hour time limit on shipment of animals before they must be rested, fed and watered. The UK wanted to impose a 15-hour limit which is applied on its domestic transit, while southern member countries wanted no limits at all.

The result is that existing rules allowing a 24-hour journey without a break remain in place and the Commission has agreed to open further consultations with scientists.

Mr Rene Steichen, agriculture commissioner, told a recent meeting of a pan-European animal welfare lobby that the well-being of animals was a political priority for him. "But it's a complex question which touches on many different interests which are not always reconcilable."

These different interests were illustrated by the public outrage in the UK recently when the RSPCA released undercover videos showing conditions in some Spanish abattoirs where sheep were not being adequately stunned before slaughter. Although European Union rules are in place, the Spanish government has told the Commission it is difficult getting workers on the ground to apply them.

UK farmers argue that Britain has some of the highest standards in the world for the treatment of farm animals. But animal welfare issues raise the public's ire more than almost any other controversy.

The British government has been receiving 1,000 letters a day from people concerned about the transport of live lambs to the Continent following the RSPCA's high-profile advertising campaign. Newspaper advertisements show lambs crushed into lorries with no food and water and the caption: "Before they're roasted in garlic and rosemary they're soaked in urine and excrement."

The Commission's resources for policing infringements of animal welfare rules itself are stretched. It has only 20 inspectors for checking on abattoirs and conditions of animals in transit and must rely on a great deal of co-operation from local authorities.

Exporters have not been won over on the issue of transport, however. Mr David Parker who runs the British Association of Sheep Exporters, calls the RSPCA's campaign "highly emotive and entirely unobjective".

He has reported it to the Advertising Standards Authority for misrepresenting conditions among sheep on cross-channel journeys. He says the trucks shown in the newspaper pictures are not export lorries and the photos are not dated to show when the transport was taking place.

Mr Parker believes the emphasis put on time limits is misleading as the most traumatic thing for the animals is unloading and loading them. "Trials have shown that, as long as they are handled well, it is far better to move sheep in one go rather than unload them into a strange building and give them food and water," he said.

Growing demand by continental slaughter houses has meant increasing exports of live British lambs in recent years and almost 3m will make the crossing this year.

Although it is more expensive to ship live sheep, prices are high enough to make the journey worthwhile. Mr Parker said that an eight-hour limit would add about another £1 to the cost of transporting each animal but the trade would still be financially viable.

However, if an eight-hour limit were imposed, the trucking of sheep from Scotland to the West Country would be affected and the extra costs could be enough to put some slaughterhouses out of business.

Some countries have suggested that responsibility for forming legislation on the handling of animals should be devolved to a national level. But the Commission has staunchly refused. "There is no question of giving up these issues to member states – it would allow for unfair competition," said one official.

So Europe is stuck with its unwieldy decision-making process which frustrates the hopes of thousands of campaigners. But the Commission has managed to push through rules stipulating that hens in battery cages should have slightly more space from 1995.

European carmakers' sales hopes collapse

By Andrew Hill in Brussels

European carmakers yesterday downgraded their forecasts for sales growth in 1994, and called on Japanese exporters to freeze their share of the European Union market.

Mr Giorgio Garuzzo, new president of the European automobile manufacturers' association (ACEA), warned that sales growth in the UK and perhaps in France, would not compensate for a continued decline in the rest of the EU. He said sales across the EU would grow by between 1 and 2 per cent. In October, ACEA forecast 3.9 per cent growth for 1994.

The 1991 EU-Japan agreement on Japanese exports of cars and light vehicles foresees a gradual opening of the EU market, with the abolition of national quotas by the end of the decade. When the EU market is growing, Japan is allowed to increase its market share.

But Mr Garuzzo, who is chief operating officer of Fiat of Italy, said yesterday that the Japanese had already pushed up their slice of the market from 11.3 per cent in 1992 to around 12 per cent in 1993, while new car passenger registrations in the EU fell 15.3 per cent.

"We believe that the spirit of the agreement would require...a temporary freeze of [Japanese] market share, [while] such an ice-age continues in Europe," Mr Garuzzo told a press conference at the opening of the Brussels motor show.

Last year, the European Commission underestimated the downturn in the EU market, and had to press for revision of the original Japanese export target.

The Japanese authorities eventually agreed in September to limit vehicles entering the EU to 980,000 units, down 17.6 per cent on 1992. Commission and Japanese officials will meet next month for their first serious discussion of 1994 forecasts.

ACEA took the opportunity to launch a paper on industrial restructuring of the motor industry, which calls on the Commission and national governments to support the manufacturers as they adapt to greater Japanese competition.

For example, ACEA is calling for particular efforts to complete the single market – by harmonising tax systems which distort car prices – focus certain research programmes on industrial technologies to help the industry, and support training and retraining of car workers.

However, Mr Garuzzo said the European industry was quietly adapting to competition, and there was "no reason to think that we shall be weaker than the Japanese in the next century."

Thais ease rules for foreign banks

By Victor Mallet in Bangkok

Thailand's cabinet yesterday approved a financial liberalisation package which allows foreign banks with offshore banking licences to open branches outside Bangkok, relaxes foreign exchange controls, and encourages Thai finance and securities companies to separate the two sides of their business.

The reforms, which fulfil government promises made last year, were approved a week before a visit to Thailand by Mr Lloyd Bentsen, the US treasury secretary.

Mr Bentsen is expected to ask Thailand to open its protected financial services sector to more foreign competition following last month's completion of the Uruguay Round of Gatt world trade talks.

Foreign banks with offshore licences under the Bangkok International Banking Facility will be allowed to establish two branches outside Bangkok, and each branch will be able to lend up to Bt1bn (£26m) in Thai baht as well as granting foreign currency loans.

Some foreign bankers were doubtful about the advantages of opening BIBF branches outside Bangkok, but the government is expected to announce further reforms which would permit foreign banks to operate full conventional branches in the provinces.

"What we are really waiting for is the day when we can handle payments and do foreign exchange like a full branch," said Mr Anders Lundquist, chief representative of Skandinaviska Enskilda Banken in Bangkok. "We see the BIBF as a stepping stone to a full branch."

Mr David Hendrix, general manager of Citibank Thailand, said he thought some bankers would act on the proposal for upcountry BIBF branches, particularly since multinational and other companies were tending to move out of Bangkok to less congested locations in the provinces.

"It's all healthy and it's all moving in the right direction," Mr Hendrix said.

As well as confronting Thailand's 15 commercial banks with limited competition from foreign banks, the government has decided to allow Thai finance companies to open provincial loan offices. Initially, they will be able to lend money, and after two years those that are sufficiently sound will be permitted to take deposits. Ultimately they may be upgraded to banks.

Editor resigns after clash with Berlusconi

Media magnate tries to bend newspaper to his political ambitions

By Haig Simonian in Milan

Mr Silvio Berlusconi, Italy's media magnate, has received a setback to his political ambitions following the resignation yesterday of the editor of one of the country's most respected newspapers.

Mr Indro Montanelli, veteran editor of the Milan-based Il Giornale and a pillar of Italian journalism, said he would set up a rival paper after growing conflicts with the Berlusconi family.

Il Giornale, which loses money heavily, was until recently owned by Mr Berlusconi. In 1992, ownership passed to his younger brother Paolo, in order to meet new media laws limiting cross holdings in newspapers and television. In spite of the formal change, Mr Berlusconi is still considered the dominant commercial influence on the paper.

Although Mr Berlusconi is not believed to have interfered in Il Giornale's editorial content, differences have surfaced recently because of Mr Berlusconi's political activities. He has been trying to create a new centre force to fill the vacuum left by the disintegrating Christian Democrat party.

So great has Mr Berlusconi's commitment to his cause become that many marketing staff within his Fininvest group are believed to have been reassigned to help create a political pressure group, the Club Forza Italia, and select potential parliamentary candidates.

That has been accompanied by a string of public statements by the normally reticent Mr Berlusconi. In an apparent attempt to model himself on Mr Ross Perot, the entrepreneur who contested the 1992 US presidential elections, Mr Berlusconi has been speaking out on a variety of populist issues, most recently taxation.

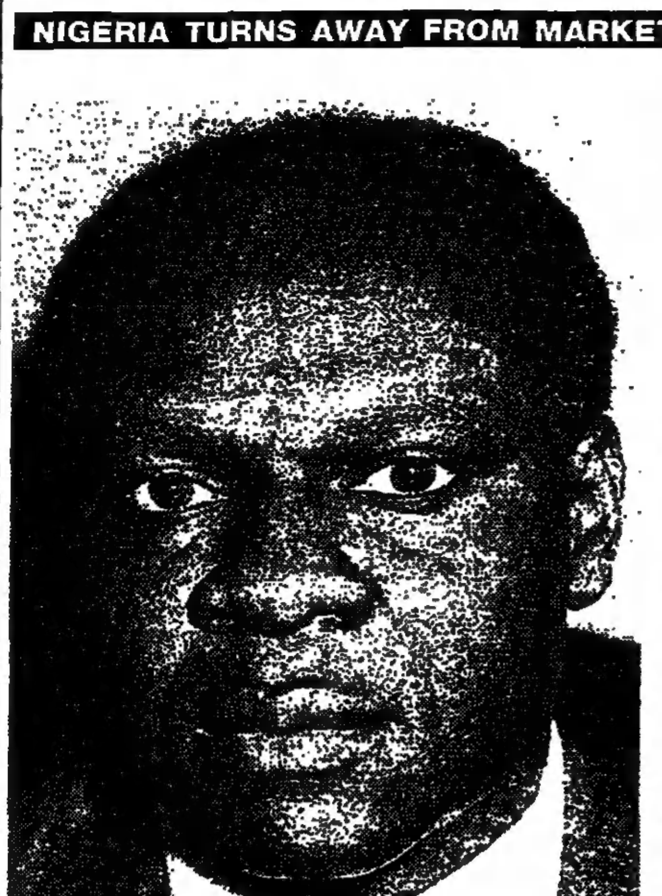
Il Giornale has, however, retained its strong support for Mr Mario Segni, a former Christian Democrat who is also trying to rally the political middle ground.

Matters reached a head at the weekend, when an uninvited Mr Berlusconi attended a meeting of Il Giornale's journalists and apparently linked new investments to raise profitability to a change in the paper's tone.

Interviewed by Corriere della Sera, the leading Milan daily, soon afterwards, Mr Montanelli said Mr Berlusconi had committed a "colossal gaffe" and that a split was now inevitable. Speaking of Mr Berlusconi, Mr Montanelli said: "He thinks he is a cross between Churchill and de Gaulle, and he really believes it."

Berlusconi: 'colossal gaffe'

NIGERIA TURNS AWAY FROM MARKET ECONOMY



Kalu: budget failed to satisfy IMF conditions

Reversal of economic reform angers lenders

By Our Foreign Staff

The Nigerian military government's decision to abandon policies of market-based economic reform has caused consternation to foreign aid donors and international lending institutions.

International economists say that the budget announced on Monday, which cuts interest rates and reimposes foreign exchange controls, is likely to lead to empty shelves in Lagos shops and to the emergence of a thriving black market in foreign currency.

With interest rates cut to 12-15 per cent while inflation runs at 50-60 per cent, credit is likely to expand rapidly, fuelling further inflation.

The low interest rates and fixed exchange rates are likely to prove popular among Nigerian manufacturers and importers who can get access to foreign currency, but could prove devastating to the country's economic growth prospects.

Although officials from the International Monetary Fund are due to visit Lagos later this month for regular consultations, the chances that their talks might lead to any agreement on future lending, already faint, are now thought to have been extinguished by Monday's budget.

The IMF's last agreement with Nigeria expired nearly two years ago, and the country has not been servicing its external debts since then, accumulating around $5bn (£3.35bn) of arrears on $31bn of outstanding debts.

Several foreign aid donors, including the US and the UK, imposed some symbolic sanctions on Nigeria last June following the annulment by the military regime of a presidential election which appeared to have been won by Mr Moshood Abiola.

Since General Sani Abacha seized power in November, donors have been assessing stiffer aid cuts. Besides the reversal of economic reform policies, several countries are disturbed that the government seems to have dropped even the rhetoric of transparency and financial accountability, which was much discussed last year by the short-lived government of Mr Ernest Shonekan.

International analysts view the Nigerian government's new economic programme as one of the most damaging setbacks so far to a general trend towards market economics in Africa, and link the reversal to General Abacha's seizure of power.

"General Abacha likes to command everything, including the economy. He thinks he can just order prices down, and everything will be normal," said one European diplomat.

Debt servicing expected to swallow up foreign exchange earnings

Deeper payments crisis in prospect

By Paul Adams in Abuja

Nigeria's budget, reversing economic reform, has left the country with no prospect of satisfying International Monetary Fund terms for debt rescheduling and will deepen the balance of payments crisis.

Nigeria needs to reschedule last year's unpaid debts to the Paris Club of official creditors, worth more than $4.5bn, but the Fund's mission due in Lagos later this month, is unlikely to produce a clean bill of health in view of the increased regulation of the economy, removal of export incentives and the continued funding of uneconomic industrial projects outlined in the budget.

Without rescheduling, external debt service this year is expected to reach $6bn, or 97 per cent of foreign exchange earnings, according to finance minister Mr Kalu Idika Kalu.

The government has provided for $1.8bn of external debt payments this year, out of forecast government revenue of $6.5bn based on an Opec oil production quota of 1.8m barrels a day at an average price of $14 per barrel. The Nigerian National Petroleum Corporation (NNPC) will receive more than 62 per cent of forecast revenue to fund its joint ventures with the international oil companies. According to Mr Don Etiebet, the oil minister, this year's budget allocation would make up the shortfall in investment in recent years which has seen NNPC fail to meet its costs for the past six months and a decline in Nigeria's production capacity.

The budget gives priority to some notorious projects such as the Ajaokuta steel works, the aluminium smelter and the new capital in Abuja which, according to a budget monitoring committee set up by previous head of state Mr Ernest Shonekan, should no longer be funded. The remainder of the budget leaves little scope to maintain the size of government and its target of a balanced budget would require harsh cuts in spending.

The budget is a U-turn in policy for the finance minister who has argued forcefully until now for complete deregulation of the economy and an early medium-term agreement with the IMF. Mr Kalu said in Abuja yesterday that he saw the budget measures as inevitable if Nigeria is to stimulate industrial output, estimated to be about 35 per cent of capacity, and stabilise the value of the naira, which fell from about N25 to the dollar to about N49 to the dollar in the past 12 months on the parallel market.

Mr Kalu, who was finance minister in 1986 when former military president General Ibrahim Babangida floated the naira to free the Nigerian economy, said Gen Abacha's measures were not a "total retreat from free markets".

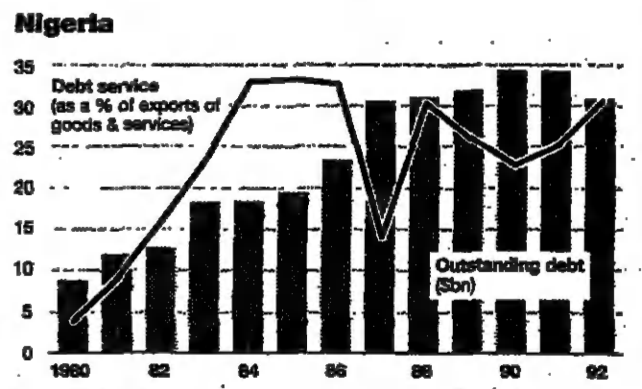
He justified the ban on free movement of capital into Nigeria by saying that the government had to ensure that priority sectors were adequately funded. This is despite official figures showing that over 75 per cent of foreign exchange sold by the government went directly to industry.

"This must be the only government in the world which thinks that you can strengthen the foreign exchange rate by cutting interest rates," said a banker in Lagos yesterday.

The 1994 policy places a large burden on the Central Bank of Nigeria which has to allocate scarce foreign exchange to commercial banks for on-lending to priority customers. This system has been applied in Nigeria before and led to widespread abuse.

The head of a leading industrial company said yesterday: "We have tried policing before in Nigeria and it has never worked. These measures are especially damaging to exporters who no longer have an incentive." Many businessmen are sceptical.

The ban on free movement of export proceeds could have a devastating effect on the cocoa crop, Nigeria's second largest source of export earnings. Cocoa farmers who are earning N51,000 per tonne this season will receive only 21,000 per tonne from exporters if they are paid at the rate of N22 to the dollar. Mr Paul Ogwuma, the central bank governor, said the new regulations were needed in 1994 to bring sanity to the foreign exchange market. The situation could be reviewed next year if the government found the controls were no longer needed.



Source: World Bank

Ciampi ready to stay on in office

By Haig Simonian in Milan

Italy's Premier Carlo Azeglio Ciampi yesterday gave the clearest signal yet he would like to stay in office, despite today's crucial parliamentary no-confidence vote which could determine the fate of his fragile eight-month government.

At the Nato summit in Brussels, Mr Ciampi underlined his commitment to remain at a time of great change for Italy. President Oscar Luigi Scalfaro is expected to dissolve parliament and announce the date of new elections shortly. Mr Ciampi is likely to remain in office as caretaker premier ahead of the elections, however the vote turns out.

Israel and PLO draft protocols

Israel and the Palestine Liberation Organisation yesterday began drafting a protocol for withdrawal of Israeli troops from the occupied Gaza Strip and West Bank area of Jericho, Julian Ozanne reports from Taba.

Both sides started drafting paragraphs on agreed issues, such as the role and deployment of Palestinian policemen ahead of talks on unresolved matters such as the size of the Jericho enclave and border crossings control.

PLO officials insisted the Taba talks were not limited to what Israel calls the "Cairo understandings" that emerged last month. The PLO delegation, headed by Mr Nabil Shaath, appeared to have changed negotiating strategy on the size of Jericho, focusing on specific geographical demands rather than a specific area of square kilometres.

Central Asian economic pact

The two most powerful Central Asian economies, Kazakhstan and Uzbekistan, have signed an agreement to create "a single economic zone", Interfax News Agency says, John Lloyd reports from Moscow.

The agreement provides for free movement of labour, goods and services between the two countries, as well as an agreement jointly to develop communications and transport. Some 80 per cent of the economic resources of the five former Soviet Central Asian states are concentrated in the two countries.

Amnesty hits at Tunisia

Amnesty International has denounced "the yawning chasm in Tunisia between what the government appears to be doing for human rights and the reality of systematic human rights violations," Our Foreign staff writes.

A report out today says: "Initially, those targeted for human rights violations were supporters of unauthorised opposition groups, but now the circle is widening to include relatives, sympathisers and friends of government critics."

Zambia cabinet shake-up

President Frederick Chiluba shook up Zambia's cabinet yesterday after two ministers resigned over allegations of drug trafficking, Reuter reports from Lusaka. Mr Remmy Muthoosa was named to replace Foreign Affairs Minister Vernon Mwaanga, who quit last week.

At the Ministry of Community Development and Social Services, Princess Nakatindi Wina quit on Saturday, as did her husband, Simota Wina, national assembly deputy speaker. All three denied the allegations. Mr Chitalu Sampa replaced Mr Newstead Zimba as home affairs minister; Mr Dipak Patel became commerce minister.

Japan's reform bills head for last hurdle

By William Dawkins in Tokyo

Japan's coalition government yesterday took a big step toward getting final parliamentary agreement, by next week, for plans to reform the discredited political system.

Leaders of the seven parties yesterday agreed to put the four reform bills to the vote in the upper house of parliament today week – the last hurdle before they become law.

The government is expected to win the vote narrowly, thus leaving it free to table an urgent and much-delayed economic stimulation package.

Prime Minister Morihiro Hosokawa aims to present the economic package a day later, on January 20, though it might be delayed because coalition members remain divided over how to fund a proposed income tax cut. The prospect of an end to the stalemate over the economy has contributed to a 6.4 per cent rise in Tokyo share prices over the past week.

The opposition Liberal Democratic party yesterday paved the way for a reform vote by reluctantly deciding to stop delaying the plans. "We are angered by the forceful tactics of the coalition...but will solemnly take part in the deliberations," said Mr Tomio Yamamoto, leader of the LDP in the upper house.

Mr Yohei Kono, LDP president, is expected to meet Mr Hosokawa early next week to negotiate a compromise. A victory on political reform would conclude a troubled five-year national debate on the issue, which has led to the downfall of two prime ministers and provoked the biggest upheaval in national politics since the war.

Mr Hosokawa split the LDP and forced the reform package through the lower house two months ago, in a departure from the tradition of forming a cross-party consensus on important legislation. He has tried to avoid a forced vote in the upper house because the coalition's majority there is both smaller and more fragile than in the lower chamber.

The coalition only has 131 of the 251 upper house seats. They include seats held mainly by rebels in the Social Democratic party, the coalition's largest but least dependable partner. Mr Tomiichi Murayama, Socialist party chairman, yesterday tried to enforce discipline by ordering members at the party's annual convention to support the bills.

The plans will replace the present system of multi-seat lower house constituencies with a mixture of single seats and proportional representation, and curb corporate political funding.

But it is unclear whether Mr Murayama has the authority to pull into line the 10 or so upper house Socialist members who oppose reform on the grounds that they believe the party, humiliated in the last election, will do even worse under the new system.

See feature

Warning as company cuts retirement age

By Michiyo Nakamoto in Tokyo

The decision by a Japanese company to lower its mandatory retirement age by four years has triggered concerns about the deteriorating labour environment and led to a strong warning by the labour ministry against other companies taking similar moves.

Okuma, a leading machine tool maker, has applied to the employment authorities for permission temporarily to lower its mandatory retirement age from 60 to 56, in an effort to cut costs amid a sharp downturn in its businesses.

The move led to a rare public warning by Mr Chikara Sakaguchi, Minister of Labour, that Okuma's move runs counter to a bill the ministry plans to submit soon to the Diet requiring employers to set the retirement age at 60, and would have serious social implications.

While Okuma's temporary measure was agreed with its union, and the company said it intends to raise the retirement age to 60 as soon as possible,the labour ministry has launched a hearing into the matter.

Mr Sakaguchi stressed that similar moves would lead to stringent guidance and warnings by the ministry. There is mounting concern in Japan about changes to the country's traditional labour contract.

As Okuma's move shows, older employees are often victims of increasing company attempts to reduce labour costs. The problem is that Japan's corporate system encourages employees to devote a large part of their peak years to the company with the promise of rising salaries and benefits as they gain seniority.

Older employees forced to leave earlier than they had counted on are thus being told to forfeit the benefits they feel are rightly theirs after decades of devotion to the company cause. A labour ministry study last autumn found 60 per cent of companies surveyed had implemented labour adjustment measures, such as restrictions on overtime work, secondments or transfers within the company, and temporary closures.

Unemployment in Japan rose for three months to reach a six-year high of 2.8 per cent last November. Nikkeiren, Japan's Federation of Employers Associations, yesterday took the initiative in setting the mood for the spring wage round by suggesting a wage freeze this year.

Minister says sorry for faculty scandal

By Emiko Terazono in Tokyo

Ms Ryoko Akamatsu, Japan's education minister, was forced to apologise to the public yesterday for a ministry official's alleged involvement in a bribery scandal.

Police arrested Mr Toshio Yamamura, chief of the ministry's university division, for allegedly receiving more than Y500,000 (£3,000) from officials at Sugiyama Jogakuen University, a women's university in central Japan, in return for approval to change faculty names.

The disclosure has caused embarrassment to the ministry, which was involved in the Recruit stocks-for-favours scandal in 1988. "If the allegations are true, it is regrettable," said Ms Akamatsu, who had warned ministry officials about ethical conduct after the construction scandals last year.

The case reflects the myriad regulations an institution has to clear before setting up new departments or faculties.

An increasing number of Japanese schools face a sharp fall in the number of students due to demographic changes, and are forced to try to improve their images in order to attract applicants.

Akamatsu: embarrassed

Mr Yamamura, who was in charge of handling applications from private universities to set up new departments, approved Sugiyama Jogakuen's plan to remodel its domestic science department to the department of life sciences in 1990.

Setting up new faculties or changing the names of departments can take up to two years. The three university officials who allegedly handed over the money were also arrested.

Mexico seeks truce in armed uprising

By Damian Fraser in Mexico City

Mr Manuel Camacho, Mexico's newly appointed commissioner for peace and reconciliation in the southern state of Chiapas, is willing to meet rebel leaders to reach a political solution to the armed uprising that began last week.

The former foreign minister said yesterday he would seek a truce as soon as possible. "It is necessary to reconstruct the political process in the region. We will have to reach a dignified political solution for everyone. We will have to offer, in actions, a real solution to the problems."

Mr Camacho is a skilful political negotiator. The son of an army doctor, he has strong family links in the region.

His appointment and apparent willingness to explore every avenue of negotiation is a strong sign that the Mexican government is looking for a conciliatory solution to the uprising.

Mr Camacho will not receive a salary, and formally his commission will not represent the government.

Mr Camacho's appointment on Monday and the replacement of hardline interior minister Mr Patrocinio Gonza with respected Attorney-General Mr Jorge Carpizo, helped revive Mexico's jittery stock market yesterday, up over 3 per cent by noon. On Monday the market fell 6.3 per cent, with investors worried about the Chiapas conflict spreading to other parts of Mexico.

On Monday the Defence Ministry reported that clashes with rebel forces were "minimal," in an indication the conflict was subsiding. The army claimed that some groups of indigenous peasants had abandonned the rebel forces, after saying they were forced to participate.

The self-styled Zapatista rebels seized several towns in Chiapas last week. They demanded a total ceasefire and formal recognition as a condition for the beginning of dialogue, according to a document handed to a Chiapas newspaper on Monday night.

The document, signed by Commander Marcos, a rebel leader, demanded that the Mexican army withdraw from the conflict areas and return to army bases. Mr Camacho did not address specifically the demands of the rebels, saying he would have to confirm their veracity.

The document denied that foreigners or clerics were involved in their movement, as the government has maintained. It said the majority of the Zapatistas are indigenous peoples from Chiapas, although some followers are from other social origins and states of the country.

Mr Camacho, who until he lost out in the race to win his party's nomination to succeed President Carlos Salinas, was Mayor of Mexico City, said: "It was not in the interests of the country to follow formulas that in other countries have led to prolonged violence, great suffering, and an absence of solutions."

An elderly woman in Altamirano rejects a helping hand from Mexican soldiers. The army recaptured the town on Thursday. AP

BCCI probe springs back into action

Abu Dhabi ready to release detainees and documents, writes Richard Waters

The flagging investigations into the multi-billion dollar fraud surrounding the Bank of Credit and Commerce International are about to get a new lease of life.

For more than two years, a mountain of documents detailing the fraud have remained locked away in the Gulf state of Abu Dhabi, the bank's majority shareholder.

Also out of reach have been 10 of the bank's top executives, who are being tried on fraud charges in the emirate while eight more have had their passports confiscated.

Under a deal struck with US investigators at the weekend, Abu Dhabi has agreed to make the documents and the detainees available to US prosecutors. The emirate has also agreed to extradite the bank's former number two, Mr Swaleh Naqvi, to the US, where he faces fraud charges.

The deal is an important turning point for the US investigators, who have led the worldwide inquiries into BCCI. Alongside Mr Robert Morgenthau, the New York district attorney, they include the justice department and the federal reserve, both of which were also involved in negotiating the agreement.

While claiming success for the work so far, Mr Morgenthau admitted investigations have been held back by lack of access to the records and witnesses held in Abu Dhabi.

The prosecution record over recent months bears out the difficulties.

Less than six months after BCCI was closed, four BCCI entities pleaded guilty to fraud charges and agreed to pay \$550m (£368m) in fines, costs and restitution in the US.

Then, in mid-1992, Mr Kamal Adham, a former Saudi Arabian intelligence chief, pleaded guilty to helping BCCI illegally acquire control of First American Bankshares in the US, along with an associate.

These successes have not been matched in recent months. Last summer, Mr Robert Altman, a Washington lawyer and former president of First American, was acquitted on fraud charges. Similar charges against Mr Clark Clifford, a former US secretary of state, were dropped due to his ill health.

Other criminal cases have also been dropped. On December 23, Mr Morgenthau gave up charges against Sheikh Khalid bin Mahfouz, the former head of National Commercial Bank, Saudi Arabia's largest bank, in a deal under which Sheikh Khalid has paid \$225m to meet civil claims against him.

Abu Dhabi is to extradite the bank's former number two to the US, where he faces fraud charges

Under the terms of the latest deal, US prosecutors have also agreed not to bring any criminal charges against Sheikh Zayed bin Sultan al-Nahyan, the ruler of Abu Dhabi, or any Abu Dhabi officials.

A beneficiary of this arrangement is Mr Ghanim al Mazrui, head of Sheikh Zayed's department of personal affairs and a man singled out by former BCCI auditors Price Waterhouse as allegedly being fully aware of the fraud long before it was known to regulators.

However, Abu Dhabi officials have maintained they are the biggest victims of the fraud, rather than its perpetrators.

A case against Abu Dhabi officials could yet be mounted elsewhere. The deal with the US authorities does not preclude prosecutors in the UK, where the bank had its head office, or Luxembourg, where much of it was legally based, from pursuing their own charges.

Yet if the deal closes off some avenues of investigation in the US, it will open others. Mr Naqvi represents the biggest prize so far for US prosecutors. He will be extradited within 120 days, which Abu Dhabi hopes will allow time for its own criminal trial against him to be concluded.

Even if found guilty and sentenced in the Gulf state, Mr Naqvi will be handed over to the US authorities before serving any prison sentence there.

Also, the availability of the so-called "Naqvi files" – more than 1m pages of documents assembled by Mr Naqvi – could provide the sort of ammunition prosecutors need to kick-start a number of investigations.

In addition, Abu Dhabi has agreed to give US investigators access by the end of next week to the 10 men, including Mr Naqvi, who remain in detention in the Gulf emirate.

The new information could bring fresh criminal charges in the US. The justice department, for one, has said it might yet reopen the case against Mr Altman and Mr Clifford.

The Naqvi files could also provide evidence to back the allegations of bribery of government officials in many of the countries in which BCCI operated, including the UK.

The agreement does not prevent the US authorities from passing on evidence to authorities in other countries.

One man notably absent in this flurry of deal-making is Mr Agha Hassan Abedi, BCCI's chief architect.

At home in Pakistan, and reportedly a very sick man, the elderly Mr Abedi has resisted efforts to move him to either Abu Dhabi or the US for trial.

Bentsen world tour seeks to boost economic ties

Mr Lloyd Bentsen, US treasury secretary, set off yesterday on a round-the-world trip aimed at forging closer ties with emerging capitalist markets, Reuter reports from Washington.

"My agenda is simple: strengthen economic relations and improve opportunities for American goods, investment and financial services," Mr Bentsen said.

He kicks off the trip with a visit to Moscow, where he will take part in the summit between President Clinton and President Boris Yeltsin.

Mr Bentsen believes Russia's economic woes stem not from too much economic reform, as Mr Yeltsin's political foe ultranationalist Mr Vladimir Zhirinovsky asserts, but from too little. He intends to make that point forcefully in Moscow.

He then goes on to Indonesia, Thailand and China and will seek to build on Mr Clinton's summit with Asian leaders of last November before returning to Washington on January 23.

"The Asian Pacific region is the fastest growing economic region in the globe," Mr Bentsen said. "We need to make a greater effort to see that the growth taking place in the Pacific encourages growth not only here in the US but also among other industrial nations."

The high point of his Asian tour will be China, which has a growing trade surplus with the US. The treasury secretary is due to arrive in Beijing on January 19, just two days after Washington is scheduled to slash import quotas for Chinese textiles in a dispute over illegal shipments of Chinese clothing to America.

Cavallo to end his attacks on Brazil

By John Barham in Buenos Aires

To the relief of the Brazilian government, Mr Domingo Cavallo, Argentina's economy minister, has promised to end his scathing attacks on Brazil's economic policies. Mr Cavallo yesterday said: "I will not comment any more about Brazil. I will not answer any more questions about Brazil."

Mr Cavallo, who in three years transformed Argentina's chaotic and hyper-inflationary economy, has made a habit of publicly criticising Brazil's economic policies. He often says these are based on "hunger" and "impoverishment of the people".

Although the Brazilian government has never protested formally, it has made its displeasure known to Mr Cavallo.

A Brazilian official said yesterday "we are not going to say anything because this should have been his attitude right from the start. These statements harm our relations."

However, Mr Cavallo, is credited with helping convince Mr Fernando Henrique Cardoso, Brazil's finance minister, to propose orthodox policies similar to Argentina's.

NEWS IN BRIEF

Harmonisation upsets exporters

Fierce opposition by Europe's exporters to European Commission plans to harmonise medium- and long-term export credit insurance regimes will be voiced in Brussels today when a five-country delegation meets senior commission officials, David Dodwell, World Trade Editor, reports from London.

Proposals to limit the level of bank credit cover will be at the top of a nine-point list of complaints about proposed changes. The Commission is planning to trim cover to 95 per cent of the proportion of an export contract's value covered by export credit agencies. This contrasts with the UK practice of covering the full value of a buyer credit.

Leading today's delegation – representing exporters from Germany, Holland, Spain, France and the UK – Mr Keith Johnson, export finance manager of Siemens Plessey and deputy chairman of the British Exporters' Association, said harmonisation plans reflected "introspective activity by EU officials", largely for the convenience of treasuries across Europe, which are trying to reduce their support for exporters.

China consultancy set up

A joint venture between a Chinese government institution and a leading UK economics consultancy has been set up in Beijing to help western companies track economic trends in China, Peter Marsh reports from London. The main shareholders in Oxford China Economics are the Chinese Academy of Social Sciences and Oxford Economic Consulting, which each own 40 per cent. The remaining fifth is owned by Dr Cyril Lin, an expert in modern Chinese studies at Oxford University.

One of the main tools for the new company will be a computerised model of the Chinese economy developed for the Beijing government by Oxford Economic Forecasting.

Qatar power deal signed

A European consortium led by Asea Brown Boveri, the Swiss-Swedish engineering group, has won a contract worth about \$1.1bn to build a power station in Qatar and equip it with a sea water desalination plant, Andrew Baxter writes. The deal will bring work worth £67m to Weir Westgarth, part of the Glasgow-based Weir Group, on the \$250m desalination plant, which it will build in partnership with Belleli, the leading Italian fabricator.

London-Dublin air war

The first shots in a renewed air fares war on the London-Dublin route, have been fired this week, with the inauguration yesterday of a service by Virgin Atlantic from the Docklands London City Airport to Dublin, aimed primarily at the business traveller, Tim Coone writes from Dublin. Both British Midland, which flies into Heathrow, and Ryanair into Luton and Stansted from Dublin, have in the past few days announced new low fares on their routes and/or a relaxation of budget fare rules.

Nintendo on the move

Video game giant Nintendo plans to move its US production to Mexico and lay off 136 workers, a company executive said on Monday, Reuter reports from Seattle. Mr Phil Rogers, a vice president, said the move would help serve the company's rapidly growing Latin American market. He said the 136 workers are the company's only US production workers.

Mr Rogers said the decision to move operations to Mexico had nothing to do with the recently approved North American Free Trade Agreement.

Overseas comeback for Chrysler

US carmaker seeks to double retail sales outside North America to 200,000

By Kevin Done, Motor Industry Correspondent in Detroit

Chrysler, the smallest of the three big US carmakers, is aiming to double retail sales outside North America to 200,000 by the end of the decade. It increased such sales by 45 per cent last year to 109,100 and exceeded 100,000 retail sales for the first time since it re-entered international markets in 1987.

Chrysler was forced to sell most foreign operations at the end of the 1970s when it came close to financial collapse.

The company has been rejuvenated in the last three years by a drastic restructuring and a series of highly successful new product launches. It achieved record profits in the first nine months of last year, and is leading a resurgent US car industry's drive into export markets.

It increased US car and light truck sales by 19.9 per cent to 2.047m in a market that grew by 8 per cent, and raised its share of the market to 14.7 per cent, the highest level for 23 years.

Chrysler is still a small player in foreign markets, but sales last year rose by 36 per cent in Europe, 87 per cent in Latin America and doubled in the Asia Pacific region. Europe, its main foreign market, accounted for about 55 per cent of its international sales last year, with 20 per cent in the Asia/Pacific region, 10 per cent in the Middle East and 11 per cent in Latin America.

Mr Tom Gale, Chrysler vice president of design and international operations, said the company planned to launch more new products in international markets in the next three years than at any time in its history. It would introduce at least six new left-hand-drive and four new right-hand-drive models by 1997.

Chrysler was the first of the big three US carmakers to begin to engineer its North American-built vehicles for right-hand-drive markets such as Japan, UK and Australia.

Mr Gale said its new Neon small family car and its Jeep Grand Cherokee four-wheel drive sports/utility vehicle would include right-hand-drive versions as well as the possibility of a right-hand-drive version of its next generation Chrysler Voyager multi-purpose vehicle (MPV).

Chrysler is planning to build its Grand Cherokee for international markets in Graz, Austria from late 1994. It has small volume kit assembly operations in China, Venezuela, Egypt and Malaysia, and last year agreed two new vehicle assembly deals in Indonesia and Thailand. It has also started supplying engines to Mitsubishi for some of the Japanese carmaker's US-built products.

The company's initial return to international markets was based on its Jeep four-wheel-drive and Voyager MPV models, but it is now seeking to establish more of a presence in mainstream passenger car markets helped by radical renewal of its car range. Last autumn it unveiled its Neon small car, to be launched in Europe in September in left-hand-drive form.

Last week in Detroit it added its new JA range of large family cars, the Dodge Stratus/Chrysler Cirrus, which will compete with rivals such as the Honda Accord and Toyota Camry.

Chrysler Voyager: this vehicle helped put the company back on the international map

Japan plans to open up its construction industry

By Michiyo Nakamoto in Tokyo

Japanese officials have been drawing up an action plan to make Japan's construction market more accessible to foreign companies in a bid to avert sanctions by the US before a scheduled deadline on January 20.

The plan is likely to include open bidding for public works contracts worth more than a specified amount and other measures to make it easier for foreign companies to win contracts in Japan.

The measures will be in line with proposals drawn up in October to make the construction market more transparent which helped convince the US to postpone sanctions from October 31 last year to January 20.

Mr Tsutomu Hata, Japan's foreign minister, said yesterday it was up to the Japanese to take the initiative in opening up its markets rather than relying on foreign pressure.

Mr Hata signalled that Japan aims to tackle disputes with its trading partners not through administrative guidance but through deregulation of its markets. This, he said, could improve the lives of the Japanese people and open up Japan's markets thus reducing the country's trade surplus.

For Tokyo to try to influence private business matters, while promoting free trade, would lead to managed trade and that is something Japan should be careful not to do, he said.

However, US demands for measurable indicators of progress in opening up Japan's markets to foreign products, for including NTT, the privatised telecommunications company among organisations for which agreed public procurement rules would be applied, and for using administrative guidance in winning greater market access for US cars and car parts in Japanese markets, have come up against strong resistance among the Japanese authorities and industry.

Prime Minister Morihiro Hosokawa and US president Bill Clinton are scheduled to announce results of bilateral trade and economic negotiations on February 11.

Fund managers eye pensions business

By Emiko Terazono in Tokyo

European and US fund managers are mounting a campaign to win access to Japan's tightly guarded pension fund management business as bilateral trade talks between the US and Japan resume in Tokyo this week.

Frustrated foreign money managers, who have had little success in breaking into Japan's corporate pension fund management business opened in 1990, are demanding to be allowed to manage public pension funds, currently restricted to trust banks and life assurers.

Although US pressure forced the partial liberalisation of fund management and corporate pension and mutual aid associations, foreign money managers have failed to gain access to such funds because of the tight relationships between Japanese corporations and fund managers. For some foreign fund managers, winning public fund management contracts is the only way they can justify maintaining operations in Japan.

Meanwhile, the issue is not only a concern for the trade negotiators and investment managers. Japan's Ministry of Health and Welfare, which holds jurisdiction over the state pension system, is also unhappy about the Finance Ministry's tight grip on how the Y100,000bn (£600bn) in reserves can be invested.

Managed trade costs Americans \$70bn each year

By David Dodwell, World Trade Editor

Tariff barriers, quotas and other managed trade arrangements in the US cost American consumers about \$70bn (£47bn) a year, according to a study published today by the Washington-based Institute for International Economics.*

This cost is likely to be pared to around \$30bn over the coming decade as tariff cuts agreed in the Uruguay Round of global trade liberalisation take effect.

While \$38bn of the current consumer cost is due to "normal" low tariffs averaging 3.5 per cent which affect 60 per cent of US imports, the remaining \$32bn is due to high tariffs, or "special protection," in 21 sectors ranging from canned tuna to ceramic tiles, and maritime services to machine tools.

"The textile and apparel sectors...continue to be the Mt Everest of US trade protection," say authors Mr Gary Hufbauer and Ms Kimberly Elliott.

They account for \$24bn of the \$32bn consumer cost due to special protection.

Estimating that 190,000 jobs would be lost if special protection were eliminated across the 21 high-tariff sectors, the authors say the average consumer surplus loss for every job saved by protection is \$170,000 – six times the average annual compensation (wages plus benefits) of manufacturing workers in the US.

"This figure far exceeds the cost per worker of even a generous adjustment programme entailing income maintenance, retraining and relocation," the study says.

Examining 100 anti-dumping orders outstanding at the end of 1991, the study finds that these duties raise prices on the \$3bn of imports affected by an average of 45 per cent.

* *Measuring the costs of protection in the United States, by Gary Hufbauer and Kimberly Elliott. Institute for International Economics, Washington. Tel: (202) 328 9000*

Major's authority damaged by scandals

By Philip Stephens in London and David White in Brussels

Mr John Major last night faced intense pressure to regain a grip on the government as senior ministers acknowledged that the spate of recent scandals had delivered a serious blow to his political authority.

The prime minister insisted that the recent revelations about the private lives of ministers and Tory MPs would not derail the Back to Basics initiative he has put at the heart of his domestic policy agenda.

He dismissed suggestions that the government was engulfed in a crisis of its own making, describing recent events as no more than a "little flurry".

Speaking in Brussels before his return from the Nato summit, he stressed that the government's call for a return to traditional values was not an excuse for a witch-hunt against ministers guilty of private indiscretion.

But the return of MPs to Westminster after the Christmas break brought charges from the Tory backbenches that Mr Major had failed to act decisively to defuse the furore sparked by the resignations of three junior members of the government.

The media focus on the marital difficulties preceding the apparent suicide of Lady Caithness, the wife of Lord Caithness, who resigned at the weekend as a transport minister, added to air of crisis enveloping the government.

Senior ministers predicted with some confidence that barring further damaging revelations or resignations the present storm would "blow itself out" over the next few days.

But there was little attempt to deny that Mr Major personally, and the government generally, had been badly damaged by the events of the past two weeks.

The discordant notes struck by different ministers over the extent to which the Back to Basics campaign had a moral dimension had underlined the diminished authority of the prime minister's office.

Some ministers called for a wholesale shake-up of Mr Major's Downing Street advisers to counter what one referred to as "amateurism and naivete".

In Brussels Mr Major mounted a determined defence of his "back to basics" policy, saying it appealed "to the basic instincts of an overwhelming majority of people in the UK."

On his return to Westminster last night Mr Major consulted with party managers and colleagues on how to regain the initiative. But many senior ministers believe that the best immediate strategy would be for the prime minister to order a period of "quiet reflection".

Golden Age in the eye of the beholder

By Ivor Owen, Parliamentary Correspondent

The ways in which Britain's mass circulation newspapers choose to maximise their sales appear to have changed more than the behaviour patterns of the nation's politicians since the so-called "Golden Age" of the 1950s.

John Major is fond of seeing in that decade a lost perfection. In some ways the appeal of the Conservative party's 'Back to Basics' campaign is founded on such nostalgia for the immediate post-war years.

But some ministers, as well as backbench MPs, engaged in extra-marital affairs even then.

They may have been more discreet, but in many cases their activities were known to political journalists.

They were not exposed in print because the social climate required popular newspapers to be "respectable" as well as entertaining.

Another factor was that the prominent newspaper proprietors of that time judged it more important to retain personal contacts with leading politicians than to publicise their sexual mores. After all, of the newspapers of the day *only the Communist Daily Worker* was able to boast "NOT a Lord on the board".

The second Viscount Rothermere was branded the "pornographer royal" when his ailing Sunday Dispatch published what would now be regarded as a totally innocuous serialisation of a novel.

Politicians whose marriages broke down sought to avoid the stigma of being named the "guilty party" in divorce proceedings, and Tory MPs were expected to inform the party managers well in advance of the court hearing.

Minimising embarrassment to the party and government was the prime objective, and those involved in "messy cases" were left in no doubt that they should resign as soon as it became politically opportune to do so.

Some of the Tory grandees Westminster believe that had this practice not been abandoned many of the government's current difficulties could have been avoided.

For example, they believe that the initial message conveyed by the party managers to the prime minister about Mr Tim Yeo, the disgraced junior minister, should have been that he had already decided to resign his post.

There is little doubt that under earlier regimes Tory whips would have played no part in encouraging suggestions that avoiding resignation was a feasible option.

An example which members of the cabinet might do well to bear in mind is the response made by Mr Iain Macleod, then leader of the Commons, when questioned about the Profumo affair of 1963. "Jack Profumo was, and is, my friend", he said.

A locomotive of the kind which will be used in regular cross-channel services pulling a vehicle transporter at the station in Sangatte, France Picture: Eurotunnel

Eurotunnel's fares fail to panic rivals

By Charles Batchelor and Motoko Rich

Yesterday's announcement of Eurotunnel's cross-Channel fares was seen by the industry and its rivals as suggesting the company is seeking a premium price in its first few months of operation but could be forced to reduce its tariffs once the novelty has worn off.

In its early months Eurotunnel will have only limited shuttle capacity and may be unable to meet demand from first-time users of its service.

But as deliveries of the special rolling stock used to carry cars, coaches and trucks through the 32-mile-long tunnel build up and shuttle departures increase from two to four an hour there is a strong chance it will be forced to reduce its fares to fill the space available.

"There is nothing in the Eurotunnel tariffs to panic about," commented P&O European Ferries, while Hoverspeed said: "We are very pleased at what has been revealed and it shows that we are very competitive."

Stena Sealink was quick to point out that savings of up to £92 on the Eurotunnel tariffs are possible from its own peak season schedule.

Mr Christopher Garnett, commercial director, stressed yesterday that Eurotunnel did not plan a price war. "We are a unique service comparable with the impact of the opening of transatlantic airline routes on the ocean liners," he said.

But others are not so sure. "We expect Eurotunnel will need to adjust its fares downwards when it comes to attracting travellers for a second time," said Mr Keith Betton, head of corporate affairs at the Association of British Travel Agents.

Travel industry observers are also uncertain as to whether Eurotunnel will be able to maintain its policy of charging the same rate throughout the day.

Stena Sealink has already fallen into line with this trend with its 1994 fares announced last week.

But faced with the prospect of most travellers turning up between 9am and 6pm, Eurotunnel and the ferry operators may find themselves forced to bring in price incentives to divert travellers to their late night services.

To help prevent congestion at its Folkestone terminal it will operate its own radio station to inform drivers if space is available on the next shuttle.

Car drivers will be able to use the shuttle from May 8, the day after the official opening by the Queen and President Mitterand, but trucks will start travelling through the tunnel on open-sided wagons in March. Coaches and caravans are expected to follow from September 5.

The shuttle will make the largest contribution to Eurotunnel's projected revenues. It is expected to account for £120m of 1994 revenues of £224m. The other main source will be the passenger-only Eurostar trains which will run from London Waterloo to Paris and Brussels and contribute estimated revenues of £86m.

The starting date for this service is expected to be in June or July, although European Passenger Services, which will operate the trains on behalf of the railways of Britain, France and Belgium, is still uncertain about the exact launch date. The launch of the Eurostar service will pit the tunnel against the airlines, which are also expected to fight hard to retain their market share.

How cross-Channel fares line up

P&O	
Standard return (Car–up to 9 passengers)	
£139	low season
£221	mid season (May, June)
£289	peak season (July, Aug)
£320	August bank holiday weekend
5 day return	
£77	low season
£124	mid season
£160	peak season
£175	peak weekend

Stena	
Standard return (Car–up to 5 passengers)	
£126	low season (10 Jan-24 Mar)
£188	mid season (25 Mar-7 Jul & 5 Sep-31 Dec)
£220	peak season (8 July-4 Sep)
£270-£320	peak weekend
5 day return	
£76	low season
£124	mid season
£126	peak season

Hoverspeed	
Standard return (Car–up to 5 passengers)	
£142	low season (1 Jan-24 Mar)
£225	mid season (25 Mar-31 Dec)*
£297	mid season (31 Mar)
£330	peak season (8 July-31 Aug)
£338	Fri/Sat 29 Jul-31 Aug)
5 day return	
£82	low season
£126-£165	mid season
£180	peak season

*and at certain times throughout the year

Eurotunnel	
Standard return (unlimited passengers)	
£220	Blue (Nov-Dec)
£260	White (Sep-Oct)
£280	Red (May-Jun &Jul-Aug, not Fri-Sat)
£310	Gold (May bank holiday & Jul-Aug, Fri-Sat)
5 day return	
£130	Blue
£160	White
(Red & Gold n/a)	

Cable subscribers treble in 1993

By Andrew Adonis

The number of cable telephone subscribers in the UK trebled last year, and heavy investment in new construction is likely to see subscriber numbers more than double in 1994.

Cable exchange line connections rose from 109,133 to 317,000 last year. By the year end nearly 90 per cent of the lines were for residential customers, with the business market growing more slowly.

The Cable Television Association projects that exchange line connections will rise to more than 700,000 this year. It expects growth again to be led by the residential sector, where cable companies are competing with British Telecommunications – mainly on price.

Growth is faster than predicted when the BT/Mercury duopoly was abolished in 1991, allowing cable companies – mostly North American telecommunications operators – to build combined television and telephone networks in urban areas.

Virtually all the growth has been concentrated in the last 18 months. In July 1992 there were only 48,000 cable telephone subscribers.

In some areas under construction, take-up of cable telephony is already running at around 30 per cent, with telephony more popular than cable TV. The cable companies market the two together, often with discounts for customers taking both.

With more than 20m lines, BT's dominance is not immediately threatened. But with Mercury also marketing its long-distance network to residents for the first time, cable operators are set to make a significant dent in BT's armoury.

The cable companies have invested about £1.7bn in their new networks, and the investment will increase to more than £5bn over the next four years.

Mr Alan Bates, managing director of Jones Cable, a US operator with a share in nine UK franchises, forecast "five or six" large equity financing deals within the next few months, each to raise more than £100m for future expansion. Most of the top ten UK cable operators would be involved, he said.

Jones led the way last year with a £152m equity and debt deal to fund construction in Leeds. Investors included NatWest Ventures and Cable & Wireless, which owns Mercury.

Combined cable television and telephone networks are under construction in 62 franchises, covering 15m homes.

BT has only one franchise, for Westminster, where it is constructing a cable TV network. Videotron, an operator with six London franchises, has applied to the government for a licence to build a telephone network in the same area.

With Colt, another US-owned company, building its own network in the City, central London could have three rival local phone networks.

Slaughter and May heads legal advisers on takeovers

By Robert Rice, Legal Correspondent

Slaughter and May, the City solicitors, has emerged as the leading legal adviser to those involved in UK public takeovers in 1993.

The firm advised companies or financial advisers in 13 deals worth £1.78bn according to a table published by Acquisitions Monthly magazine which ranks law firms by value of the takeovers in which they acted as advisers.

Slaughter and May owes its position at the top of the table to its involvement as advisers to merchant banks in a number of deals in the UK independent television sector.

The firm advised Hambros on Carlton Communications' £758m offer for Central Independent Television. It was also involved in the £99m sale of Thames to Pearson and is currently involved in helping London Weekend Television fight-off Granada's £600m bid.

Herbert Smith was ranked second for its involvement in 15 deals worth £1.48bn. The firm acted for Central on the Carlton deal and for Owners Abroad in its successful defence against the £283m hostile takeover bid from Airtours.

Clifford Chance was placed third with just six transactions worth £1.32bn. The firm owed its position to its involvement in Carlton's bid for Central and the £242m Whitbread/Whitbread Investment deal.

The 20 most active UK law firms acting for companies as opposed to financial advisers, were involved in 91 UK public takeovers in 1993 with a combined value of just £6.5bn, compared with 92 deals worth £23bn in 1992.

Lawyers seem confident that the climate is right for an upturn in mergers and acquisitions during 1994 but warn that companies are more cautious than they used to be.

Britain in brief

Top bank expected to cut jobs

National Westminster Bank is today expected to become the second of Britain's 'high street' banks this week to announce large scale job cuts.

The announcement, on top of the 3,000 job losses over two years revealed by Barclay's Bank on Monday, comes ahead of today's monthly unemployment figures.

NatWest refused yesterday to comment on its job reduction plans and said any announcement would be made to staff first. Union sources, however, believe the cuts will be larger than those at Barclays and may be as high as the 4,000 job cuts announced in February 1993.

The bank did, however, say that it was not announcing a redundancy programme and did not anticipate making compulsory redundancies.

Names seek to reopen talks

Leaders of the Feltrim Names, one of the largest group of loss-makers at Lloyd's of London, are to seek to reopen negotiations with the insurance market's council in a bid to improve the terms of last month's £900m settlement offer.

In a letter sent to some 2,000 Names, the committee of the Feltrim Names' Association, said it could not recommend acceptance of the offer. However the committee stopped short of outright rejection, encouraging hopes that Lloyd's may still be able to settle legal actions by more than 17,000 of its Names – the individuals whose assets have traditionally supported the market – before they come to court. 22,921 Names have until 14 February to vote on an offer which gives the great majority of them less than 40p for each pound of losses.

Travel chains face attack

The discounts being offered by large travel agency chains are a myth, as consumers are obliged to buy expensive insurance, Mr Christopher Kirker, chairman of the Association of Independent Tour Operators claimed yesterday.

Mr Kirker said the large chains, which are currently offering 11 per cent discounts on summer 1994 holidays, were demanding that holidaymakers "pay two or three times the fair price for obligatory insurance".

He added that the discounts were also being funded by tour operators who were being asked to pay commissions of up to 17.5 per cent if they wanted their brochures to appear on retailers' racks.

Mr Kirker said consumers' choice of holiday was being limited by the links between the largest tour operators and travel agents.

BT to put funds in orchestras

British Telecommunications, the biggest sponsor of the arts in the UK with a budget of £1.7m a year, announced that it was supporting twelve British orchestras through a three year programme costed at £500,000.

Red alert still in Chichester

The National Rivers Authority maintained a red alert on the River Lavant in the cathedral city of Chichester, on the English south coast, but elsewhere in the south signals were downgraded to amber and yellow as the heavy rains of the past 10 days eased off.

Budget fillip for gilt investors

Investors in gilts through a unit trust, will be able to use indexation to mitigate their capital gains, according to a change in the Finance Bill – *which legislates for the chancellor* of the exchequer's recent Budget.

Investors in assets which are exempt from capital gains tax, such as UK government bonds, are liable to pay the tax when these assets are held in a collective fund, such as a unit trust or offshore fund.

This restriction has now been lifted for collective funds and building society shares. Unfortunately, since the chancellor abolished the use of indexation to create or increase losses in the November Budget, this relief is no longer available. The CGT indexation can therefore only be used to reduce gains.

Bogus donation charity warning

Charities were warned to beware of possible fraud attempts involving bogus donations from Nigeria.

Cafod, the Roman Catholic overseas aid agency, was notified last month that a Nigerian donor had bequeathed £150,000 to the charity in her will. Documents including a cheque were received from a company handling the donor's estate, but Cafod was told that the money could not be released until £6,000 Nigerian taxes were paid to a Nigerian account through a British bank. Checks established that donation was an attempt to defraud Cafod of the £6,000. Police are investigating whether there is any link with a number of frauds against British companies emanating from Nigeria that are currently under investigation.

Suppliers offer discounts on electricity to business

By Michael Smith

Businesses in the UK are being offered cuts in the price of electricity of up to 15 per cent, as power suppliers prepare for the introduction of competition in the market for medium to large consumers of electricity from April.

However the average fall is considerably less. Inenco, the energy consultancy, says that most offers will lead to companies' power costs falling by between 4 and 8 per cent.

Some companies say they are offered no reductions in power prices from April. This is partly because electricity companies are tending to demand more regular payment of bills by companies which want to sign tailor-made contracts rather than remain on standard tariffs

Consultants are advising clients against signing contracts hastily.

The April changes represent the second liberalisation of the electricity market. About 5,000 sites which use more than 1MW of electricity have been able to buy power from a range of suppliers since the industry's privatisation three years ago.

Less intensive consumers have been required to buy power from their local regional electricity company.

However from April 1, the threshold of the competitive market will fall to 100 kilowatts, taking in another 45,000 consumers ranging from medium-sized businesses including supermarkets to schools and hospitals.

The largest reductions on current tariffs are being offered to sites that are one of a series owned by large companies, and to those that require substantial amounts of electricity outside periods of peak demand.

Offer, the electricity industry regulator, has criticised electricity companies over attempts to tie existing customers to long term deals prior to April and has instructed them to offer contract escape clauses in some cases.

Baker 'not told' of Iraq intelligence link

By Jimmy Burns

The government minister who attempted to suppress evidence crucial to the defence of a businessman charged with exporting arms to Iraq was not told that the businessman was supplying the intelligence services with information on Iraq's military build-up, the Scott inquiry heard yesterday.

Mr Kenneth Baker, former Home Secretary, said he was never told about the intelligence role of Mr Paul Henderson, one of the defendants in the Matrix-Churchill trial, before he signed a public interest immunity certificate authorising the withholding of Whitehall documents in November 1991.

The justification for Mr Baker's *decision was questioned* repeatedly by Lord Justice Scott and his counsel Miss Presiley Baxendale QC. The judge told Mr Baker at one point: "It is the absence of any questioning I am finding a little difficult to understand. There was a pretty shrewd notion in government circles what the defence would be."

The judge said the question was whether there should be greater limitations put on the *use of such certificates in* future.

Mr Baker said he had signed the PII certificate when the case was at its committal stage following a request from Customs and Excise which was prosecuting the Matrix-Churchill case. At that stage Mr Baker was minister responsible for the intelligence services. He acted on the advice of government law officers and with the approval of the attorney-*general*.

"It was the role of the Home Secretary to protect the operation of the Security Services to protect the knowledge of agents, methods of operations, and technical matters." Mr Baker said.

Mr Baker was told in broad terms by his legal advisers that intelligence knew about Matrix-Churchill's involvement with Iraq, and that it was proposed that an unnamed intelligence witness would give evidence for the prosecution.

Mr Baker said it would not have been "appropriate" for him to establish what the defence case would be, or whether the intelligence information was relevant to their case. That was a matter for the prosecution, which he said had advised him that intelligence was only of "marginal relevance" to the defence.

The hearings continue today with evidence from *former foreign* secretary Lord Howe.

Mr John Major, the prime minister, has been asked by Lord Justice Scott to gives his views about ministerial responsibility in the dissemination of intelligence.

He is being pressed to state if he subscribes to a set of guidance notes on ministerial accountability which the judge is using as a working tool to test some of the evidence which he has heard from Whitehall officials and ministers.

The notes are in the form of a draft document entitled "Ministerial accountability for the failure to ensure the proper dissemination of relevant intelligence".

The document puts the onus of responsibility on ministers for insuring that intelligence is efficiently gathered and disseminated. The document states: "Accountability requires that a failure in the organisation and structure which results in a failure by the government to carry out its policies is a matter for which the relevant minister must answer.

"Answerability requires not only accountability in Parliament after the event; it may require the Minister to take an active interest in the organisation and structure of is Department."

Mr Major is due to appear at the Scott inquiry next Monday.

MANAGEMENT

Change is not enough

Christopher Lorenz on calls for a revolution among managers

Richard Pascale, scourge of the complacent and prodder of the timid, is acting as "facilitator" at a workshop of senior executive teams from 16 leading multinationals, including Black & Decker, British Airways, BP, Monsanto, Nissan and Unilever. He listens to them patiently for several hours as they enumerate a string of seemingly impressive improvements that their companies have introduced in the past four years: in customer responsiveness, total quality, cost reduction, supply management, European organisation and teamwork.

Only occasionally does he interrupt to ask a question. But it is almost always a variant of the same phrase: "Are any of these really breakthroughs?" The executives shuffle sheepishly, having heard Pascale speak earlier in the day about the need for corporate "transformation". Eventually one bursts out: "I don't believe in breakthroughs – fast incremental change is what gets results." The other participants laugh awkwardly, some in relief, others because they know that Pascale, in spite of his politeness, is disappointed in them. Some later admit privately to disappointment with themselves.

This episode, at a recent three-day meeting at a hotel near Arundel in southern England, epitomises the discomfort that many managers feel at the power of the challenging gospel according to this Californian teacher, writer and consultant: that, for many large companies in today's viciously competitive world, change is not enough – nothing short of a revolution will save them.

With executives from troubled IBM and Kodak in the audience, the point should not need ramming home. But it does, because it is unpalatable, even frightening.

Pascale explained why in an article in the latest issue of the Harvard Business Review, written with a colleague, Tracey Goss*. "What many chief executives are missing is that incremental change is not enough for many companies today. "Managers groping about for a more fundamental shift in their organisations' capabilities must realise that change programmes treat symptoms, not underlying conditions. These companies do not need to improve themselves, they need to reinvent themselves."

"Reinvention is not changing what is, but creating what isn't," Pascale continues. "A butterfly is not more caterpillar or a better or improved caterpillar; a butterfly is a different creature."

One of Pascale's problems in motivating managers such as those at the Arundel meeting of the Inter-Company Productivity Group – its activities are far more ambitious than its name suggests – is that precious few large companies measure up to his definition of "reinvention" and "transformation".

Colin Beere

Richard Pascale: 'Companies must reinvent themselves, not just improve'

On a conspicuously short list of European paragons he cites British Airways and Shorts, the Belfast aircraft and missile maker. Europcar, the rental chain, and the European arm of Haagen-Dazs ice cream are also trying to reinvent themselves, he says.

In the US he points to Ford, Intel, part – but not all – of General Electric, and, above all, Motorola, which, by sustaining its reinventive capacity, has been able to compete in a succession of different industries over several decades.

The reasons for the scarcity of "reinvention" cases are not hard to find, Pascale says ruefully. He enthuses a company's top managers into embracing the gospel of transformation, only to find them backing off when they discover how conflict-ridden and wrenching the shift can be.

Normally very discreet, Pascale has been known to castigate the heads of AT&T, Whirlpool and one BP division for getting cold feet when what he calls "executive reinvention" became too painful for the people at the top.

Beneath this surface drama lies a more fundamental challenge: that, in order to reinvent itself, a company must alter what Pascale calls "its context – the underlying assumptions and invisible premises on which its decisions and actions are based". Rather than just concerning itself with new types of "doing", he continues, it must alter its "being" – its inner nature. That is not the same thing as its culture, it is deeper and more active.

Lest anyone thinks he has converted to the mumbo-jumbo of New Age spiritualism, he hastens to point out that the Japanese recognise the differences between doing and one's inner being *(kokoro)* in their everyday speech. On more familiar ground for westerners, he cites the difficulties other US retailers have had capturing what he calls the "magic" of Nordstrom, a remarkably successful but controversial store chain based in Seattle.

Its rivals "don't seem to realise that Nordstrom sales people *live* its motto of 'Respond to Unreasonable Customer Requests'," he says. To most staff at competing stores, such a principle means that the customer comes first – within reason. Customer demands must be met – unless they are ridiculous. But at Nordstrom each ridiculous request is an opportunity for an "heroic act" by an employee - like the San Francisco woman who got up early one morning to fetch a pair of shoes in my size from a different branch several miles away.

Faced with the painful need to reinvent who they and their companies *are* rather than just what they do, it is not surprising that most senior executives decide to take the seemingly easier route of incremental change. This involves what Pascale calls "trying harder", going "back to basics", and searching for "improvement" techniques.

Until recently Pascale used to condemn this "fork in the road" decision as leading, more often than not, to "stagnation and decline"; the diagram he used in presentations said as much. But at Arundel and other meetings in the past few months he has removed those three words from the slide. He fears they may demotivate companies which, having achieved considerable improvements through conventional means, could suddenly find they have laid the foundation for a quantum leap into "reinvention".

Coming from an evangelist as thoughtful as Pascale, such a shift in conversion tactics is understandable. But it risks muddying his message. The organisers of the Arundel meeting report that some participants have since said that "we don't want to be told 'you've done very well, keep on taking the medicine'. We want more powerful treatment, even if it's painful".

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Previous articles on corporate creativity appeared on Oct 4 and 15, and Nov 17.

Many people suffer aches and pains from using computer keyboards. A new book suggests tips based on a musician's experience, writes **Jeffrey Boyling**

Piano gives a lesson for the workplace

Barely a week goes by without news that some sporting personality has had to "retire" or at least rest because of injury. Their high profile always guarantees a mention. But what of aches, pains and injuries sustained by people in the workplace and in particular those using computer keyboards? The problems of tenosynovitis, tendinitis and carpal tunnel syndrome rarely get any coverage unless a compensation payment has been involved.

Can anything be done to prevent the daily difficulties experienced by countless individuals? *The Hand Book*, published this week* may provide some answers.

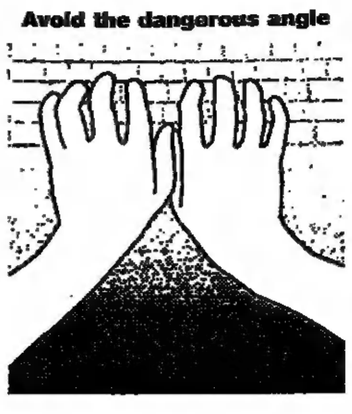
The author is Stephanie Brown, a New York-based professor of piano who has noted the injuries suffered by pianists. Brown has identified a direct link between incorrect, strained finger and hand positions at the keyboard and subsequent injury. Pianists with correct natural positions and movements had a keyboard style characterised by fluidity and an absence of injury.

The application to computer keyboards became evident when Brown was learning how to operate her own computer. Many of her teachers used the same harmful positions and movements she had observed in pianists. Studying typing manuals highlighted the need for a preventative keyboard method.

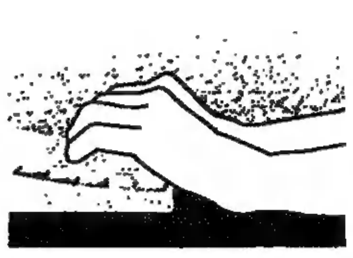
Unfortunately, many computer users have never learnt to type, which may put them at even greater risk of experiencing aches and pains.

"It's well known that certain positions and motions can cause injury in practically every sport," says Brown. "Everyone has had the experience of watching someone swing a tennis racquet or golf club and think, 'Ouch!' It just looks wrong. Using a computer keyboard is no different. It's a vigorous micro-athletic workout for the hands and fingers. Do it wrong and you're asking for trouble."

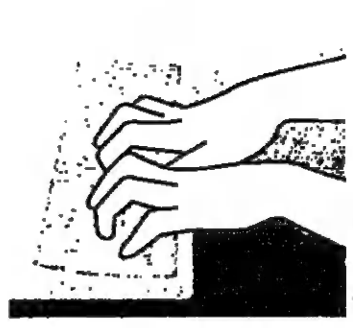
Avoid the dangerous angle



...and the Cobra



...and the Spider



The Hand Book aims to help computer users prevent injuries by avoiding dangerous hand positions. These have been variously called The Dangerous Angle, The Cobra, The Spider and The Flying Pinky.

Instead, keyboard users can experience the comfortable and relaxed feel of the correct position by working through a series of 14 easy to follow lessons, predominantly aimed at the hands. Other parts of the body – which can be responsible for symptoms in the hands – are either omitted or mentioned only briefly.

The book advises on how to care for the hands and details are given of various stretches like the Teepee, Curl, Press and Tuck to maintain mobility. Athletes warm up before playing and so should computer users, says Brown.

Details of exercises and massage during rest breaks from the screen are given for those body parts that need to be moved. There is nothing controversial in this but there are some parts that have not been stretched but which should be stretched to prevent some of the symptoms reported by keyboard users

Of course there is more to preventing hand injuries at the keyboard and this is acknowledged in the book. Unfortunately the section on workstation adjustment is too brief and could be confusing for some readers. It also assumes that most keyboard users can adjust the height of the keyboard whereas the majority of users sit at desks of fixed height.

However, the visual reminder of the Do's and Don'ts ("The Golden Rules") offers a useful summary.

Here are some of them:

- Keep the natural wrist line;
- Let the wrists float;
- Let the elbows hang free;
- Relax the ring and little fingers;
- Don't squeeze the mouse;
- Rest the hands when not keying.

**The Hand Book (Preventing Computer Injury), pp98. Published by Ergonome Incorporated, 145 West 96th Street, Suite 800, New York, NY10025.*

Jeffrey Boyling is a London-based chartered physiotherapist and ergonomist.

All of these Securities have been sold. This announcement appears as a matter of record only.

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November, 1993

BUSINESS AND THE ENVIRONMENT

More companies are now revealing details of their environmental records, writes **Peter Knight**

The advantages of coming clean

Last year, BP Chemicals emitted 30 tonnes of chlorofluorocarbons (CFCs), six tonnes of chlorine and 711 tonnes of benzene into the environment. These and a host of other specific figures on emissions are published on a single sheet at the back of the company's annual environmental report, as well as on a computer disc.

The publishing venture is among the better examples from a new set of corporate unveilings, in which companies reveal selective secrets about their environmental performance in an annual report.

Most of the growing number of such reports tend to promise more than they deliver in terms of hard facts on environmental impact and what the company is doing to reduce this. Even so, they symbolise a vast step forward in business attitudes to the environment and the acceptance among certain industrial sectors that the public has a right to know what goes on behind the factory wall.

Roughly 150 multinationals and a few smaller companies so far have published environmental reports. "That's a small proportion of the approximately 40,000 big companies around the world and the millions of small and medium-sized companies," says John Elkington, director of the consultancy Sustainability.

Elkington is working with the United Nations Environment Programme to encourage more reporting, especially among companies in countries outside the Organisation for Economic Co-operation and Development. The task is enormous. For even in the western industrialised countries, most companies make only a passing – and usually vacuous – reference to their environmental responsibilities in their annual report and accounts. Many say nothing at all.

A 10-country survey of leading companies by KPMG, the accountancy group, showed that only 15 per cent of the 690 companies who responded published a separate environmental report. Those were mostly in the US, Canada, Germany and the UK.

This is hardly surprising. Other than specific accounting requirements in the US and Canada to disclose environmental contingencies and liabilities, companies are under no legal obligation to bare their environmental souls. Why, then, should a significant group of leading companies take the risk of publishing potentially incriminating details about their environmental performance?

A glance at the different reports shows that few are as bold as British Petroleum and its fellow soul-barers such as Dow, Du Pont, ICI and IBM. Furthermore, even the most candid reports contain a good deal of public relations fudge.

This is mainly because there are, as yet, no standards of reporting to which companies can conform. Standards are being developed by industry groups but it will be a long time before a universally acceptable format is available.

The Netherlands is the only country close to legislating on the matter. A bill is being drafted that will force Dutch-based companies to publish detailed annual reports on the environmental impact of their activities and their plans to improve.

The European Union's Eco Management and Audit Scheme (EMAS), is the only other official standard that specifies what information should be published. But membership of EMAS is voluntary.

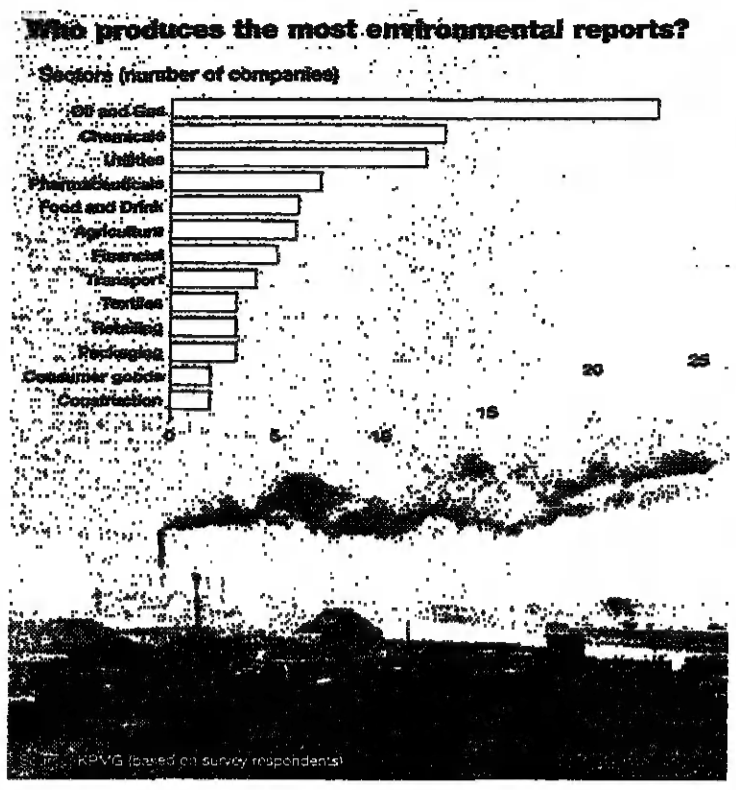
Otherwise, it is a range of market pressures – mainly the need to keep a good public image – that provide the necessary encouragement for those companies that have chosen to be in the vanguard of environmental reporting. KPMG's sector analysis shows that most companies publishing environmental reports are from the oil and gas sector, followed by chemical manufacturers and utilities.

These three sectors are under the most pressure – public and legal – to reduce their environmental impact. More important, they feel they should be seen to be responding to the pressure and the most visible action is to publish a report on their efforts.

But many large companies known to take their environmental responsibilities seriously still choose not to report. Among them are Hanson, Rolls-Royce aerospace, Blue Circle, Unilever, BAT and GEC.

The clear difference between those companies who do publish full, regular environmental reports, and those who do not, lies in the corporate attitude to the ideas of stakeholders, the wide range of groups – employees, local communities, investors, customers, suppliers – that can influence the fortunes of a company and are therefore said to hold a stake in it.

Most leading companies view good environmental communication



between themselves and their stakeholders as essential to gain or retain public confidence. Many more pay lip service to this idea. But it has been the chemical industry, which tends to suffer from a poor public image, that has led the way in publishing annual reports on environmental performance.

The chemical industry trade associations, both in the US and Europe, began a "Responsible Care" programme to improve the image. At the core was a commitment to be more open about their industrial practices and to report regularly on environmental impact.

Other companies have followed the chemical sector's example, mainly for public image reasons. IBM UK, for example, publishes a regular and comprehensive report. So do British Airways and British Telecommunications.

Some companies, such as the Dutch-based BSO Origin, a software services group, attempts to produce a full set of environmental accounts where the environmental impact of transport, energy use and other activities is measured in financial terms.

Those companies that have published a report have been both surprised and disappointed by the muted response to their efforts. Many thought that they would have their heads shot off by the environmental groups as soon as they raised them above the parapet.

But this has not happened because the information revealed, while significant for the company, has not surprised the campaign groups. Neither have the reports contained information that other readers felt demanded a response.

"There's always been a fear that if you report bad news people will jump on it," says Peter Scupholm, head of health, safety and environment policy at BP. "In our experience, that is not the case, as long as the reporting is balanced. I'm not aware of one negative reaction to a piece of bad news we have communicated."

Dick Robson, environment communications manager at ICI, says the company was concerned when it published its first report two years ago. "But we recognised that it was the only way to go – we reported and our concerns have evaporated."

The first batch of environmental reports – some companies are now into their fourth year of reporting – show little consistency other than an obvious confusion about who the audience is. And because there are no standards dictating what should be revealed, the overriding feeling when looking at the reports is one of public relations gush with a strong emphasis on the positive aspects of the company's performance.

"These reports are a management tool to get employees and shareholders to feel good about the company. They are certainly not aimed at environmental groups," says Steve Warshal, a business specialist at Greenpeace. "But we would like more companies to report in this way because it signals that they are at least taking the environment more seriously."

This could become the case if two industry-led initiatives to formulate reporting standards are successful. One is run by the World Industry Council for the Environment, which has membership from the International Chamber of Commerce. The other, Public Environmental Reporting Initiative (Peri), was instigated in the US by Amoco, IBM and others, and is being led in Europe by BP.

There are other initiatives by such organisations as the US-based Global Environment Management Initiative (Gemi) and the Canadian International Institute for Sustainable Development. But progress at producing standards is slow. This is understandable because of the complexity of the subject and the diversity of the industries involved.

However, cynics in both industry and environmental groups also point to the value of keeping the initiatives in the public eye while delaying the delivery of standards. It reduces the chance of industry's nightmare coming true – laws that force companies to report truthfully on their environmental performance in a standard and comparable way.

Why a hamburger should cost $200

Nancy Dunne on the call for prices to reflect ecological factors

Most economic modelling concludes that the arduous negotiating exercise recently concluded in Geneva under the General Agreement on Tariffs and Trade will give the world economy a new impetus.

Ecologists, however, believe the world's trade ministers can only tinker with an economic system that is fundamentally flawed by its failure to count the ecological costs of production.

"This could leave us with a world where there's lots of money but dirty air and water and environmental degradation," says Alan Thein Durning, author of *Saving the Forests: What Will it Take?* from the Worldwatch Institute, an environmental group. What is needed is a system of "full-cost pricing" that includes environmental costs in production of goods, he says. This would radically alter cost structures.

A mature forest tree in India would then be worth $50,000 (£34,000), according to the Centre for Science and Environment in New Delhi. A hamburger produced on pasture cleared from rain forests would cost $200. One hectare of a Malaysian forest, providing carbon storage services and helping to prevent climate change, would be worth more than $3,000 over the long term, according to Durning.

Environmentalists fear the costs of not moving towards ecological pricing will only become clear after it is too late. Deforestation is accelerating; two-thirds of the planet's original forests have already disappeared.

There are numerous projects to demonstrate the value of the forests. A new scheme announced by Conservation International, a US environmental group, includes two US universities, two pharmaceutical companies and a botanical garden in an effort to expand the drug discovery industry in Surinam.

CI will raise $1m over five years to finance the development of drugs from flora identified by forest dwellers, who have been collecting healing plants for centuries. The project proposes to institute an "ethnobotanical premium", paying 50 per cent of royalties from future sales of drugs developed to a Forest People's Fund for the support of local communities in Surinam.

Durning also insists the rights of forest dwellers must be honoured. He recommends "joint management" arrangements between the indigenous peoples and their governments, because forest programmes under exclusive control of the state "routinely fail".

Political reform is also necessary to reforestation efforts. "To varying degrees, a bond between timber money and political power is found in all the world's main timber economics," says Durning. "In less democratic societies, those who question the prerogatives of economic power all too often end up as murder statistics in human rights reports."

Durning alleges that in countries like Malaysia – the world's largest exporter of tropical timber – elected leaders distribute to their loyal supporters contracts for the exploitation of public resources. Even in the US, the government moves reluctantly against the entrenched timber, mining and beef interests.

He would like full-cost pricing phased in over 10-20 years through user fees, green taxes and tariffs. He reckons that a $3-a-day charge to visitors to US national forests would raise more money than timber sales from US government-owned lands.

But first, governments must stop subsidising forest destruction. In the US the Clinton administration is edging towards raising prices for grazing lands, mining resources and, eventually, timber sales. Last April, it announced that it would halt the sale of timber from 62 of 156 national forests because of the money lost on timber sales. However, that decision has still to be implemented.

No country can move to full cost pricing alone without risking having their industries undercut by foreign producers whose governments do not make environmental destruction costly. Global action is necessary.

PEOPLE

Owners: no holiday for Heald

Nearly a decade ago, Malcolm Heald took his honeymoon in Majorca on a package organised by Sovereign, now part of the Owners Abroad group.

Yesterday, Owners Abroad announced that Heald, 38, is to be its group finance director, replacing Geoffrey Stone, who resigned last November.

Heald has been on several package holidays since his honeymoon, the most recent of which was last year when he went to Hong Kong and Bali with British Airways Holidays.

Otherwise, he cheerfully admits, he has no experience of the holiday business. But he does, he says, have experience of working for companies in trouble.

When he was appointed finance director of clothing

company Jacques Vert in 1992, he was told it was about to break even. It was his doleful duty to inform the board they had actually made losses of over £4.5m. In 1992-3 it made full-year profits of £1.03m. Yesterday, Jacques Vert announced first half pre-tax profits of £833,000, compared with £186,000 profits last time.

Heald says Owners Abroad is in less of a mess than Jacques Vert was. Nevertheless, it last year lost Howard Klein, its chairman, and Roger Allard, the managing director, who resigned after warning that profits this year would be half market expectations. The group has slipped from second to third place in the holiday market, behind Thomson and Airtours.

Michael Julien, former chief executive of the Storehouse retail group, has since become non-executive chairman. Last year, he appointed Francis Baron, chairman of Anglo-Saxon Television, chief executive.

Gallaher in the UK

Gallaher, the UK tobacco and drinks arm of American Brands of the US, has appointed Michael Lunn and Peter Veen main board directors.

Lunn is chairman and chief executive of Whyte & Mackay, Gallaher's drinks subsidiary. He was managing director of the company when Gallaher bought it from Brent Walker in 1990 and has since expanded its operations with the acquisition of Vladivar vodka and the takeover of Invergordon, the Scotch whisky distiller.

Veen, a former professor of business studies at Groningen University in the Netherlands, is at present marketing director of Gallaher Tobacco, but will take over as managing director in April on the retirement of John Taylor.

He was chairman and chief executive of Theodorus Niemeyer, Gallaher's Dutch tobacco business before it was sold to Rothmans in 1991.

Mobil in the UK

■ John Banfield, a career executive with Mobil Oil, is to take over as chairman of the UK arm of the US-based company. He will succeed Geoffrey Cardinal, who moves on to Mobil Egypt. A Cambridge graduate, Banfield has spent most of his career in marketing. Overseas stints have included postings in New York, Cyprus, the Netherlands and Germany, where he is a manager at the marketing and refining division in Hamburg.

Coulson prescribed for Prestwick

Prestwick Holdings, the quoted Scottish printed circuit board maker which in 25 years has never broken through to sustained profitability, has called in the company doctor. It has made Archie Coulson its executive chairman and hired Postern, the firm of corporate recovery specialists which Coulson helped found in 1991, to review its trading and financial position and say what needs to be done. The review, costing £90,000, will take about five weeks.

Prestwick lost nearly £4m in the year to July 31 1993 on sales of £36m after the strategy of ceo Wayne Osman, hired in 1990 as a saviour, turned to dust. The small electronics companies he acquired caused big losses. Osman was replaced last year by John Gilhooly as executive deputy chairman.

Coulson, 47, comes in at the insistence of shareholders with more than 40 per cent of the equity, including the Miller family who founded Prestwick and managed it intermittently. He says the review will see what needs to be done to improve the company's tight financial position, fulfil a big order book and strengthen management. It will then see what future there is in PCBs.

Hugh Laughland has stepped down as non-executive chairman but will remain on the board at least till the review is complete. Gilhooly, credited by Prestwick with establishing better relations with bankers and creditors, and with starting to sort out managerial and manufacturing problems, has resigned as director, as have David Simpson, a past chairman, and David Hall. Alastair McKie and William Young remain executive directors.

Postern was set up to provide a one-stop shop to advise troubled companies on restructuring and to implement rescue plans. Coulson, who gives the impression on the telephone of a soothing corporate bedside manner, says it has done more than 15 rescues, not all of which have got its name in the papers since some companies prefer to be discreet when they call for help.

He sees Prestwick as "a damn sight easier than most situations. A lot of companies don't know what they're doing at all". He suspects Prestwick's problems stem from its not recognising that "management is actually quite boring. Its acquisitions were probably a good idea, but did anyone check that they had systems that worked, or integrate them with the rest of the group?"

Non-executive directors

■ **Ian Hill** and **Owen Howell-Price** have resigned from KWIK SAVE GROUP.
■ **David Richardson** at SENTRY FARMING GROUP.
■ **Norman Fetterman** and **Sir John Smith** have resigned from GREYCOAT.
■ **Christopher Balfour**, a director of Hambros Bank, and **John Padavan**, former head of corporate finance at BZW, at EVANS OF LEEDS.
■ **Gordon McClure**, formerly on the board of NDL, at its holding company, COUNTERMARK; **David Gravells**, a governor of Durham University Business School, at NETWORK DESIGNERS.
■ **Michael Wallis** has retired from METSEC.
■ **Geoffrey Horsell** has retired from S LYLES.
■ **Mervyn Blakeney**, retired director of Cadbury Schweppes, and **Richard Fortin**, retired md of Lloyds Merchant Bank, at BRITANNIC ASSURANCE.
■ **Lord Shuttleworth** as chairman at NATIONAL & PROVINCIAL BUILDING SOCIETY on the retirement of Richard Newton.
■ **James Findlay**, a partner at Cazenove, at MOORGATE SMALLER COMPANIES INCOME TRUST.
■ **Leslie Lesser** has retired from BLACKS LEISURE.
■ **Thomas Hansberger** has resigned as chairman of TEMPLETON EMERGING MARKETS INVESTMENT TRUST.
■ **Nigel McCorkell**, group md of Meggitt, at McKECHNIE on the retirement of Sir John Hoskyns.
■ **Richard Cole-Hamilton**, former chief executive of Clydesdale Bank, as deputy chairman of STAKIS.
■ **Jacques-Henri Gougenheim** at TRANSATLANTIC HOLDINGS on the resignation of Jean Peyrelevade.
■ **David Winterbottom**, former chief executive of Evode Group, at BENJAMIN PRIEST.
■ **Michael Birt** has resigned from FLEMING EUROPEAN FLEDGELING INVESTMENT TRUST on his appointment as attorney general in Jersey.
■ **Patrick Gordon-Duff-Penningon**, chairman of the Red Deer Commission and a former chairman of the Cumbria NFU, at TILHILL ECONOMIC FORESTRY.
■ **Stephen O'Connor**, md of Waterfood Foods, at FITZWILTON.
■ **Edward Turner** at GRAHAMS RINTOUL.
■ **Keith Ackroyd**, a director of The Boots Company, at SILENTNIGHT HOLDINGS.
■ **Kurt Rose** has resigned from COUNTRY CASUALS HOLDINGS.
■ **John Kembery**, a former director of McKechnie, at BRASWAY.
■ **John Lawrence** has retired from SOUTH WEST WATER.
■ **Charles Darby**, chairman of Bass Taverns, at GEORGE WIMPEY.
■ **Sir John Sparrow** has retired from REGALIAN PROPERTIES.
■ **The Hon Edward Turner** at GRAHAMS RINTOUL INVESTMENT TRUST.
■ **Bill Stuttaford** at NEW CITY & COMMERCIAL INVESTMENT TRUST.
■ **John Glanville** has resigned from BROCKHAMPTON HOLDINGS and from PORTSMOUTH WATER.
■ **Ron De Young**, a director of Friendly Hotels, at The CORPORATE SERVICES GROUP; **Sir Keith Bright** has resigned.
■ **Derek Strauss**, deputy chairman of Société Generale Strauss Turnbull Securities, and **Nicholas Colchester**, editorial director of the Economist Intelligence Unit, at LONDON ATLANTIC INVESTMENT TRUST; **David Maitland** and **Sir Jack Rampton** have retired.
■ **Paul Myners** has resigned from The SCOTTISH NATIONAL TRUST.
■ **Douglas Strachan** as vice-chairman at CHELTENHAM & GLOUCESTER BUILDING SOCIETY in place of Stephen Price who remains on the board.
■ **Bradley Hanson** has resigned from STERLING PUBLISHING.
■ **Leonard Allen**, former chief executive of the Federation of Recruitment and Employment Services, at INTEREXEC.
■ **George Ella**, former chief executive, and **Roger Regan** as chairman on the retirement of Peter Ryan, at Stag Furniture Holdings, part of SPRING RAM.
■ **Bernard Harty**, chamberlain of London, Corporation of London, and **Roland Hecht**, executive vice-president, Crédit local de France, as vice-chairman at CLF MUNICIPAL BANK.
■ **John Dare**, a director of Barings, at BLOOMSBURY PUBLISHING.
■ **Christopher Honeyborne**, chief executive of Seymour Pierce Butterfield, at YORKSHIRE WATER.

Television/Christopher Dunkley

Mass appeal at its best

T[illegible] not the place to look for regular reviews [illegible] *Pobol y Cwm*, [illegible] which has been running for [illegible] on Channel [illegible] in Wales and began transmission four afternoons a [illegible] BBC2 on Monday under the title *People Of The Valley*. [illegible] should you look [illegible] for long supercilious articles [illegible] *House Party* and Mr Blobby, [illegible] frequent "funny" [illegible] scoring points off the inanity [illegible] daytime [illegible] *The Big Breakfast* and *Good Morning*. Newcomers [illegible] this [illegible] may think this odd, given the [illegible] devoted by other broadsheet newspapers [illegible] such material [illegible] days. So, [illegible] January, perhaps [illegible] worth recalling some [illegible] precepts underpinning [illegible] column.

They [illegible] not [illegible] from [illegible] presumably, *underpin* [illegible] *other parts* [illegible] Most people's experi[illegible] dance [illegible] from the local palais and *Come Dancing* [illegible] the FT dance [illegible] himself chiefly with [illegible] Royal Ballet, the [illegible] bert company and so on. With book [illegible] FT [illegible] history, biography, travel, and those [illegible] which [illegible] people would consider serious. Nobody seems surprised by the absence of reviews [illegible] romances pumped [illegible] by Mills and [illegible] and Barbara Cartland although *they* [illegible] *many more copies* than the books that [illegible] review. From time to time, as in last Saturday's Weekend FT, there will be [illegible] think piece on the historical or social significance of changes in these mass selling books. Similarly this [illegible] column [illegible] devoted once in [illegible] while to consideration [illegible] such phenomena as game shows, Australian [illegible] and the daytime sofa [illegible]. But they are rarely reviewed individually.

Sustaining such an approach is increasingly difficult in a world [illegible] more and more [illegible] maintain that all cultural phenomena [illegible] equal significance and that everything on television is consequently equally worthy [illegible] notice. It [illegible] not only a [illegible] quagmire [illegible] relativism that [illegible] into during the [illegible] couple of [illegible] (you know, "Was [illegible] really [illegible] better poet [illegible] Bob Dylan?" expecting [illegible] answer "Who [illegible] say?" when actually [illegible] "Of [illegible] he [illegible] *Dylan was* [illegible] rock"). The difficulty [illegible] from an older movement which began with George Orwell's brilliant [illegible] jects [illegible] Boys' Papers in [illegible] 1940s [illegible] today has [illegible] manifestation in The [illegible] prom[illegible] "Low Culture For Highbrows" and devotes its space to [illegible] Hop, [illegible] *Avengers* and [illegible] (yes, exactly what [illegible] phrase [illegible]gests).

In the half century [illegible] Orwell [illegible] The Modern *Review* [illegible] *entire* [illegible] industry grew up, expanding upon the writings [illegible] culture by [illegible] such [illegible] Richard Hoggart and Raymond Williams, and it is from [illegible] industry that today's [illegible] of material on [illegible] *Simpsons* and pop [illegible] pouring down. What [illegible] too rarely pointed [illegible] is that Hoggart, Williams, and most of their fol[illegible] were, first and foremost, socialists, secondly sociologists, and only incidentally (and [illegible] rather badly) critics. Their chief concern was [illegible] quality of writing in *Peg's Paper* [illegible] the originality [illegible] the plotting in Saturday morning cinema but that such artefacts [illegible] mass culture should take their place alongside established highbrow material. Television, which happened to develop during precisely the same half century, was, of course, their ideal stamping ground being [illegible] "mass" [illegible] than [illegible] other.

In this [illegible] thought, [illegible] popular a pro[illegible] is, the more sig[illegible] *it is*. [illegible]vision [illegible] should be devoting most [illegible] to [illegible] weighty [illegible] demanding arts programmes. If [illegible] were [illegible] there [illegible] be little point [illegible] continuing [illegible] try [illegible] a seri[illegible]

[illegible] hand, it [illegible] be [illegible] merely [illegible] turn such assumptions upside down and review only [illegible] obscure [illegible] "difficult" material. The fact is, as John Mortimer reminded us in an impressive article in the Daily Telegraph *last Saturday, the distinction* between "serious" and "popular" art did not exist in the time of our greatest achievements: "The audiences that filled the huge Elizabethan theatres, the countless [illegible] of Dickens, Thackeray, and George Eliot, didn't bother [illegible] ask whether it was high art or popular art they were enjoying. [illegible] was a ghost story and a crime story as well [illegible] the drama of a thinking man in a brutal world. [illegible] a murder mystery [illegible] well as being a [illegible] denunciation of poverty and [illegible] poetic evocation [illegible]. These works were immensely popular and [illegible] them …"

The job of the critic, surely, is [illegible] have a clear idea [illegible] what is possible in his medium, which means, among other things, knowing [illegible] has [illegible] before; [illegible] identify what [illegible] are trying to do, [illegible] that seems worthwhile, and whether they are achieving their aims; and above all to discriminate [illegible] bad. [illegible] *Dickens, so* [illegible] *television*: it is quite possible [illegible] be simultaneously good and popular. Examples which spring [illegible] from [illegible] past [illegible] Attenborough's Antarctica series, *Life* [illegible] *Freezer* on BBC1, and ITV's [illegible] began [illegible] its final [illegible] last Thursday. Naturally [illegible] quality [illegible] episodes varies, but [illegible] characterisation in [illegible] always strong [illegible] writing usually sinewy and [illegible] funnier than in television's half-hour [illegible] week, [illegible] *throwaway* [illegible] *George* [illegible] as wide-boy Arthur Daley picked up the phone and announced "Daley into Europe". Predicting [illegible] failure [illegible] *his* [illegible] *earner*" (a [illegible] phrase which [illegible] in the dictionary) he lamented "I'll probably [illegible] Shep[illegible] Bush [illegible] with [illegible] mongrel dog and a [illegible] cider".

To fulfil [illegible] function [illegible] tele[illegible] critic must, of [illegible] the first, [illegible] perhaps [illegible] few, episodes [illegible] new [illegible] when they [illegible] wholly predictable. In the [illegible] *People Of The Valley* that [illegible] since [illegible] known quantity from [illegible] years on S4C. But [illegible] have guessed [illegible] new Sun*day series* [illegible] *Wind*, about life in [illegible] islands, would have [illegible] script so old fashioned [illegible] stilted [illegible] sound like [illegible] parody [illegible] a [illegible] *Disney travelogue?* Who would have thought there was anything left [illegible] be milked out [illegible] Superman until BBC1 began *The* [illegible] *Adventures Of Superman* early [illegible] Saturday evening? Here is [illegible] re-telling which would be perfectly acceptable as a first-time [illegible] story for an eight-year-old, but which gains [illegible]mously [illegible] the knowledge brought [illegible] it by [illegible] who [illegible] with [illegible] (yes, yes, mass appeal!) [illegible] films. [illegible] surprising still, who on this side of [illegible] Atlantic *would* [illegible] *guessed* [illegible] Americans [illegible] far [illegible] post-feminism?

The first of four comedy pilots on BBC2 under the *umbrella title Comic Asides* was [illegible] laboured skit about [illegible] a [illegible] airline [illegible] dreadfully by comparison with [illegible] ing slightly earlier on the [illegible] channel [illegible] the [illegible] *Steptoes*. All [illegible] honesty, [illegible] humanity [illegible] pro[illegible] embarrassingly absent from the slapdash and lacklustre [illegible] offering. [illegible] shall have to [illegible] back to ITV's new crime series [illegible] since it [illegible] both stylistically interesting (some [illegible] ice [illegible] colours from [illegible] *of* [illegible] *grimy locations of* [illegible] *Sweeney*) and tantalising in its narrative: it seems that Leslie Grantham's character [illegible] just *a hackneyed* [illegible] *bent copper, but* [illegible] to become [illegible] of spy. We [illegible] discover more tonight.

Above all it will [illegible] sary, if subsequent episodes [illegible] anything like [illegible] good as the opening programme, to return [illegible] Jonathan Meades' Friday night series [illegible] BBC2, *Further Abroad*. His first pro[illegible] a [illegible] between [illegible] and a catherine wheel illustrating the [illegible] of height in buildings [illegible] consequent horrors [illegible] vertigo.

The idea that [illegible] *Y Cwm* [illegible] *"just* [illegible] *important" as Further Abroad* [illegible] piffle, and depressing evidence that, indeed, [illegible] cannot hold.

If subsequent episodes [illegible] good [illegible] the first, stick with Jonathan Meades' [illegible] 'Further Abroad'

Barenboim's 'Die Walküre'

Andrew Clark on the first new Ring in Berlin for 40 years

The conductor is Daniel Barenboim, the producer Harry Kupfer and John Tomlinson sings Wotan. Bayreuth 1988? *No, Berlin for the next three seasons*. Germany's flagship [illegible] house, the Staatsoper [illegible] den Linden, has just [illegible] on [illegible] first [illegible] nearly [illegible] years. As artistic director, Barenboim has put Wagner at the centre of his plans, with the same production team and many of the singers who [illegible] on the recent Bayreuth *Ring*. He began with *Parsifal* [illegible] son. [illegible] the first part [illegible] a *Ring* to be completed by 1996.

Barenboim's logic is clear. [illegible] Bayreuth, [illegible] established a [illegible] rapport with Kupfer and the designers [illegible] Reinhard Heinrich. Why [illegible] in his own theatre? And [illegible] better than Berlin [illegible] interpret Wagner's allegory [illegible] power [illegible] the 1990s? Barenboim [illegible] Kupfer [illegible] the Berlin [illegible] will allow them [illegible] develop [illegible] *Walküre suggested* [illegible] The production lacked the originality or technical virtuosity [illegible] distinguished their Bayreuth version. Despite Schavernoch's new designs, this was a pale imitation.

Kupfer did his best to dress his concept in fresh clothes. In Bayreuth we had the "runway of history", on which man created bigger and bigger catastrophes because of his inability to learn from the past. In Berlin this becomes the "room (or *space) of history*" – where nature spawns a human intelligence with the capacity to dominate and exploit lesser beings, and ultimately threatens the whole of creation.

Kupfer articulates the change persuasively in the *Walküre* programme book, but it makes little difference to the staging. Wotan is still virile and red-haired, *still charging* round the stage and thrusting his spear into the ground, still forcing Siegmund onto Hunding's sword, still lying face-down next to Brunnhilde before putting her to sleep.

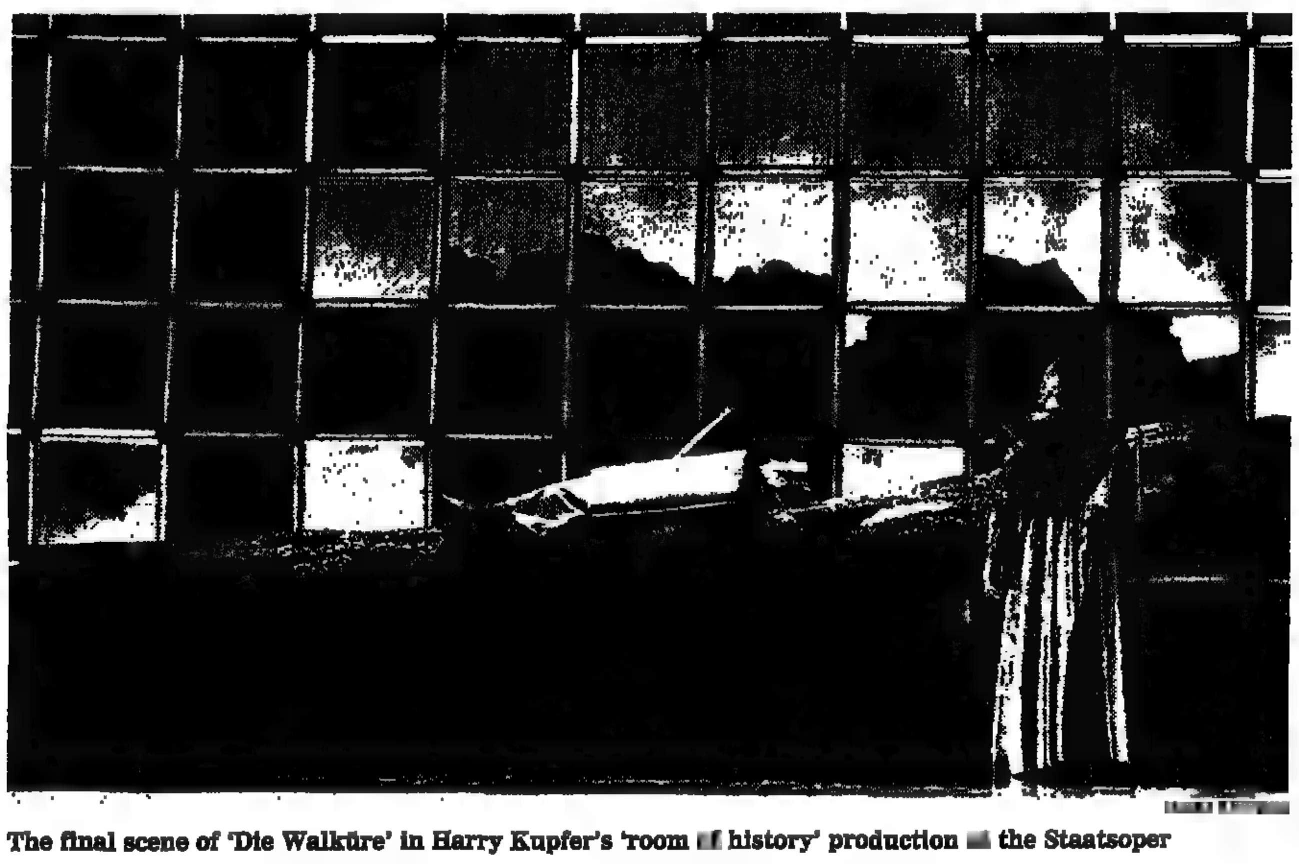
For all the talk of nature – and its marvellous evocation in Wagner's [illegible] – Kupfer acknowledges it almost as little [illegible] he did in Bayreuth. The stage is bare apart from a char[illegible] tree-trunk and a [illegible] ground grill, behind which are projected [illegible] murky photo-images – tangled *foliage in the Spring scene of* Act one, a sunlit ocean during [illegible] *Todesverkündigung*. [illegible] atmosphere barely changes from one scene to the next, and [illegible] fixed perimeter [illegible] the "room of history" has an inhibiting, boxed-in effect. Although Kupfer draws powerful perfor[illegible] from his actors, their [illegible] and [illegible] pass for nothing, and the magic fire cir[illegible] is an anti-climax.

[illegible] production [illegible] represent an [illegible] on Bayreuth [illegible] from [illegible] Festspielhaus *cowl* and [illegible] *homogenised* [illegible] it produces, [illegible] us aware [illegible] Wagner's felicitous scoring – the woodwind [illegible] of the Act one love music, the fat brass in Act [illegible] – [illegible] goes for mammoth [illegible] loud and [illegible] away with it [illegible] the dramatic [illegible] his reading and sensitivity [illegible] his singers' needs. Apart from an [illegible] change of speed after [illegible] opening storm, tempi are more coherent [illegible] The Staatskapelle is beginning [illegible] sound [illegible] a front-rank *orchestra*.

In [illegible] high-powered cast, Waltraud [illegible] Sieglinde was [illegible] revelation. After a muted debut in the part a year ago in Vienna, [illegible] by her [illegible] in [illegible] summer, [illegible] found her [illegible] dramatic [illegible] – and how! This [illegible] embodiment [illegible] female courage, beauty [illegible] rapture, the voice sounding fuller [illegible] freer than ever.

[illegible] other newcomers [illegible] Ute Priew's stately Fricka and Eric [illegible] polished, dan[illegible] Hunding. Poul Elming, [illegible] and Tomlinson repeated [illegible] Bayreuth performances. As Siegmund, Elming [illegible] good as ever, but had [illegible] "manage" his voice [illegible] reach [illegible] Act one. Polaski [illegible] every inch [illegible] warrior maiden, though nothing [illegible] compensate [illegible] her unyielding [illegible] and imperfect top. Tomlinson, in strong, steady voice, [illegible] in danger [illegible] turning his [illegible] into [illegible] Expres[illegible] cliché.

Barenboim [illegible] to have forgotten that [illegible] of the pitfalls in [illegible] is [illegible] repeat yourself. If he really wanted to con[illegible] with Kupfer, Tomlinson and the others, [illegible] should have picked [illegible] different opera. [illegible] he needed for *The Ring* was a [illegible] producer, a new designer [illegible] cast, capable of striking creative sparks off each other – the way they all did with such [illegible] in [illegible]



The final scene of 'Die Walküre' in Harry Kupfer's 'room [illegible] history' production [illegible] the Staatsoper

Ballet/Clement Crisp

The Sleeping Beauty

Any Russian company offering Tchaikovsky [illegible] is, I'd hazard, jus[illegible] enough [illegible] audiences to flock to [illegible] Quality, *alas, is* [illegible] *– or is* [illegible] be integral to the [illegible] – and the shrinking of such grandiose [illegible] as *Swan* [illegible] or *The* [illegible] to the demands [illegible] theatre and undistinguished performance is [illegible] of [illegible] the [illegible] I am [illegible] one [illegible] who [illegible] that [illegible] art can be cut down to [illegible] that Mozart operas [illegible] classic drama [illegible] trimmed and under-played [illegible] the sake [illegible] showing *Don* [illegible] *let* [illegible] far from the [illegible] that can present them *in decent style*. Betraying [illegible] betrays [illegible] public.

Moscow City [illegible] returned to London this [illegible] at the end [illegible] a regional tour, brings *Beauty* and [illegible] version [illegible] swan-upping for [illegible] third visit. On previous [illegible] the company [illegible] as a frame [illegible] a major artist – the glorious Ludmila Semenyaka, [illegible] noble Yury Posokhov – and I have [illegible] through [illegible] stagings for their [illegible] season [illegible] have [illegible] unbolstered. I saw *Sleeping Beauty* on Monday night, [illegible] I can report [illegible] Natalia Povago's tremulous designs [illegible] somewhat amplified, though no [illegible] appealing [illegible] credible than on prior viewings; that the King [illegible] still outfitted in mustard [illegible] plus twos, a [illegible] crown-ette, and has a page-boy bob and a [illegible] (a combination suggesting that he is in the middle of a sex-change); and that the whole [illegible] looks [illegible] a [illegible] wind could [illegible]

[illegible] *performance* [illegible] brisk, and drilled to [illegible] point [illegible] efficiency [illegible] the choreography meaningless. [illegible] is ballet [illegible] fast-food, and [illegible] as much [illegible] to [illegible] masterpiece it [illegible] to show [illegible] a hamburger [illegible] meat. [illegible] are rattled through; [illegible] court scenes are like bad pantomime; [illegible] dances for the first [illegible] are tape-loop choreography. The Aurora [illegible] Yevgenia Vorobieva, extremely efficient in showing [illegible] steps, but on this occasion, giving us [illegible] *coquettish and unnuanced* view [illegible] supreme challenge [illegible] ballerina. The role [illegible] dead. I liked Dmitri Barmotin's Carabosse, big in scale, [illegible] not afraid [illegible] storm [illegible] stage, and in Mikhail Ronnikov [illegible] company has an intriguing Prince Florimund.

Tall, elegant in physique, with [illegible] light jump, Ronnikov has a very youthful air. He [illegible] role not at all, offering instead [illegible] open-mouthed [illegible] which [illegible] princely character. But he [illegible] real potential, and in better surroundings may well turn out [illegible] be a true premier danseur. In [illegible] scene, [illegible] corps de [illegible] was seen [illegible] willing best. The score under Igor Shavruk was as brusque [illegible] the staging.

[illegible] City Ballet [illegible] ler's Wells until January 15

INTERNATIONAL ARTS GUIDE

■ BONN

Oper This month's repertory consists of Lortzing's Der Wildschütz, Cav and Pag, Jenufa, Valery Panov's production of Prokofiev's ballet Cinderella and [illegible] new staging of Les Contes d'Hoffmann, first night Jan 23 (0228-773667)

■ BORDEAUX

Palais des Sports Tonight, tomorrow: Hiroyuki Iwaki conducts Orchestre National Bordeaux Aquitaine in works by Ishii, Rakhmaninov and Martinu, with piano soloist Bernard Ringeissen (5648 5854)
Grand-Théâtre Fri: Karl Anton Rickenbacher conducts Jérôme Savary's production of Die Fledermaus. Sun: Alain Lombard conducts orchestral works by Haydn (5648 5854)

■ COLOGNE

Philharmonie Tonight: Neville Marriner conducts Academy of St Martin in [illegible] in a [illegible] with piano [illegible] Oppitz. Tomorrow: Cologne Big Band. Fri: [illegible] Cologne Radio Symphony [illegible] Berg, [illegible] Debussy. [illegible] Frank [illegible] Staatskapelle [illegible] and Tchaikovsky. Sun: Dmitri [illegible] Frankfurt [illegible] Symphony [illegible] in [illegible] and Skryabin, with [illegible] Yuri [illegible] Mon: [illegible] play [illegible] by Schumann and [illegible] Tues: Monty Alexander [illegible] Quartet and others (0221-2801)
Opernhaus Tonight, [illegible], Mon: Cosi fan tutte. Jan 29: first night of Harry Kupfer's new production of Shostakovich's [illegible] (0221-221 8400)
Schauspielhaus This [illegible] repertory includes Fiddler on [illegible] Roof, Shakespeare's As You Like It, Chekhov's The Bear and Edward Albee's The Sandbox (0221-221 8400)

■ COPENHAGEN

Royal Theatre Tonight: La traviata. Tomorrow and Sat: La boheme. Fri, next Tues: Napoli. Next Mon and Wed: Cosi fan tutte. Jan 20, 21, 24, 25, 27, 30: Helgi Tomasson's new production of Sleeping Beauty (tel 3314 1002 fax 3312 3692)

■ DRESDEN

Semperoper Tonight, Sun: Arabella with Felicity Lott. Tomorrow: Gluck's Orfeo. Fri: Christoph Prick conducts German Youth Orchestra in works by Richard Strauss and Mahler. Sat: Der fliegende Holländer. Next Tues: [illegible] d'Hoffmann (0351-484 2323)

■ FRANKFURT

[illegible] Oper Tonight: Harlem Gospel Singers. Tomorrow, Fri: Dmitri [illegible] Frankfurt [illegible] Symphony [illegible] in [illegible] and Skryabin, with viola [illegible] Yuri Bashmet. Sat: [illegible] Marriner [illegible] Academy [illegible] St [illegible] in [illegible] in a [illegible] programme. Sun morning, Mon evening: Sylvain Cambreling [illegible] Frankfurt Opera [illegible] in Haydn, Stravinsky and Janacek, with violin [illegible] Kyoko [illegible] Sun evening: Nina Corti flamenco evening (069-134 0400)
Oper Tonight, [illegible] Wed: [illegible] Lehnhoff's production [illegible] Lohengrin. Tomorrow, Sat, Mon: William Forsythe's ballet The [illegible] Small [illegible] Fri, Sun: [illegible] Fledermaus (069-236061)

■ GOTHENBURG

Stora Teatern Tomorrow: [illegible] Tardue [illegible] works by Beethoven, Brahms and Dvorak. Repertory includes Die Zauberflöte [illegible] North's [illegible] The Snowman (031-131300/031-136500)
Konserthuset Jan 20, 21: Leonard [illegible] conducts Gothenburg Symphony [illegible] in works by Ives, Barber and Mahler. Jan [illegible] Salonen [illegible] Swedish [illegible] Symphony [illegible] (031-167000)

■ HAMBURG

Staatsoper Tonight, [illegible] Fidelio with Gabriela [illegible] Thomas [illegible] and [illegible] Salminen. Tomorrow: [illegible] Sun, Mon, Tues: new [illegible] trilogy, choreography by John Neumeier (040-351721)

■ LILLE

[illegible] Tonight: Krzysztof [illegible] conducts Orchestre National [illegible] Lille in [illegible] by [illegible] and Dvorak, [illegible] Pergamenshikov. Fri: Vladimir Spivakov [illegible] Virtuosi in Elgar, Mozart, [illegible] and [illegible] (2012 8240)

■ LYON

Auditorium Tomorrow, [illegible] Serge Baudo [illegible] Lyon in works by [illegible] Schmitt, Lutoslawski, [illegible] and Saint-Saens, with violin [illegible] Frank [illegible] Zimmermann. Jan 27, [illegible] Eliahu Inbal conducts Mahler (7860 3713)
Opéra Jan 18-22: [illegible] Nagano conducts Maguy Marin's Lyon Opéra Ballet production [illegible] Coppelia. Jan 28: Margaret Price. [illegible] 8: Thomas Hampson [illegible] 7200 [illegible] 4546)

■ MARSEILLE

Opéra [illegible] van Dam sings [illegible] title role in Petrika Ionesco's production of Der fliegende Holländer, opening next Tues [illegible] repeated [illegible] 21, 23 [illegible] 25 (9155 0070)

■ MUNICH

Staatsoper Tonight: [illegible] Armstrong conducts Tim Albery's production of [illegible] Grimes, with [illegible] Kollo, Pamela Coburn [illegible] McIntyre. Tomorrow: [illegible] Kalinina, [illegible] Dvorsky and Bernd [illegible] Fri, Sun: Der [illegible] John Cranko's production of [illegible] Romeo and Juliet. [illegible] Tues: [illegible] Giovanni [illegible] Thomas Hampson [illegible] Eaglen. [illegible] Cav [illegible] Pag (089-221316)
[illegible] Tonight, tomorrow, [illegible] Lothar Zagrosek [illegible] Munich Philharmonic Orchestra in [illegible] by York Höller and Tchaikovsky, with soprano Phyllis Bryn-Julson. Fri: Neville Marriner conducts Academy of St Martin in the Fields in a [illegible] programme, [illegible] piano [illegible] Oppitz. Sun: Ballet Classique [illegible] Paris in [illegible] Lake. [illegible] Tues: [illegible] Fledermaus. [illegible] Sinopoli [illegible] the Philharmonia (089-4809 8614)

■ OSLO

Konserthus Tomorrow, Fri: Kent [illegible] Philharmonic [illegible] in [illegible] Eclairs sur l'Au-Delà. [illegible] Ruud conducts English Chamber Orchestra, with piano soloist Sigurd [illegible] Jan [illegible] 21: Mariss [illegible] works by Saint-Saens. Jan 22: Semyon Bychkov [illegible] Petersburg Philharmonic. [illegible] 27, 28: Jansons conducts [illegible]

■ STOCKHOLM

Konserthuset Tonight, tomorrow, [illegible] afternoon: [illegible] Royal [illegible] Philharmonic [illegible] in [illegible] Third Symphony and Strauss' Ein Heldenleben. Tonight (Grünewaldsalen): Hans Leygraf plays Schubert piano [illegible] (Grünewaldsalen): [illegible] plays Schubert string quartets. Sun: [illegible] conducts [illegible] in [illegible] by Stravinsky, Lutoslawski, Stravinsky [illegible] (tickets 08-102110 information 08-212520)
Berwaldhallen Fri: Esa-Pekka [illegible] conducts [illegible] Symphony [illegible] in Lindberg, [illegible] and Stravinsky (08-784 1800)
Royal Opera This month's repertory includes [illegible] Mélisande, La traviata, [illegible] fan tutte, [illegible] and Cav and Pag. Götz Friedrich's [illegible] production [illegible] Lohengrin opens on Jan [illegible] (tickets [illegible] information 08-203515)

■ STRASBOURG

Théâtre Municipal [illegible] new production [illegible] Iphigénie [illegible] opens [illegible] Sun, with further performances [illegible] Jan 22, 24, [illegible] 28. Louis Langrée [illegible] a staging by Moshe [illegible] Patrice Caurier, with a cast led by Sylvie Brunet (8875 4823)

■ STUTTGART

[illegible] Tomorrow, Sun: Ernst Krenek triple bill [illegible] operas. Fri, [illegible] Stuttgart Ballet in [illegible] Hari, choreography by [illegible] Zanella with music [illegible] Next [illegible] Next Thurs: first night of Johannes [illegible] production of Rigoletto (0711-221795)

ARTS GUIDE
Monday: Berlin, [illegible] York [illegible]
Tuesday: Austria, Belgium, [illegible] Switzerland, Chi[illegible] *Washington*.
Wednesday: France, Germany, [illegible]
Thursday: Italy, Spain, Athens, London, Prague.
Friday: Exhibitions Guide.

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(Central European Time)
MONDAY TO FRIDAY
Super Channel: European Business Today 2230; repeated [illegible] 0715
MONDAY
Super Channel: FT Reports [illegible]
TUESDAY
Super [illegible] of [illegible]
Euronews: FT Reports 0745, 1315, 1545, 1845, 2345
WEDNESDAY
Super Channel: FT Reports 1230
THURSDAY
Super Channel: [illegible] of [illegible] 1230; FT Reports 2130
Euronews 0745, 1315, 1545, 1845
FRIDAY
Super Channel: FT Reports 1230
[illegible] FT Reports 2030
SATURDAY
Sky [illegible] 0330; [illegible]
SUNDAY
Super Channel: FT Reports [illegible]
Sky [illegible] FT Reports 1730; 0430

Ian Davidson

Alive but ailing

Nato is not the solution to the future security needs of Europe

In theory this week's Nato summit in Brussels has breathed [redacted] life into the organisation. In fact, the European allies have [redacted] given notice [redacted] does not intend, either in Nato [redacted] in any other way, to take any significant leadership responsibility which would [redacted] it bogged down in Europe's new security uncertainties.

One senior European [redacted] analyst put it bluntly: "Nato [redacted] The [redacted] twitching, but [redacted] is no [redacted] in it." Such a harsh judgment seems at [redacted] with what [redacted] happened this [redacted] in Brussels.

First, [redacted] the cause of stability and closer relations with former [redacted] of the Soviet bloc, [redacted] alliance [redacted] have [redacted] them "partnerships for peace", involving military co-operation now, together with the possibility of [redacted] membership at some unspecified date [redacted] the future.

Second, [redacted] set [redacted] new "combined joint task forces" [redacted] military [redacted] which should give [redacted] European member states more weight in the alliance, and [redacted] it easier for them [redacted] tackle Yugoslav-type conflicts.

Third, [redacted] Clinton [redacted] reaffirmed a commitment [redacted] Europe's safety, and promised [redacted] keep about [redacted] US troops [redacted] the Continent.

These apparently constructive moves conceal [redacted] exercise [redacted] fudge [redacted] deception. The east Europeans [redacted] not want "partnerships for peace"; they [redacted] full membership [redacted] and the security guarantees that [redacted] with it. They [redacted] Russia still threatens their [redacted] rity, and their fears have zoomed since [redacted] month's Russian elections and [redacted] extraordinary showing of Vladimir Zhirinovsky, [redacted] ultra-nationalist leader of the Liberal Democratic Party.

The Americans have ruled out full membership for [redacted] Europeans, ostensibly because they do not [redacted] aggravate the unstable political situation in Russia. Moscow has made clear that it would consider the enlarge[redacted] of Nato [redacted] hostile act, virtually amounting [redacted] revival of [redacted] cold [redacted] and [redacted] US claims [redacted] west must avoid any move which [redacted] play into [redacted] of the ultra-nationalists in [redacted]

As President Bill Clinton put it in [redacted] speech on his arrival in [redacted] on Sunday: "We cannot afford ... to [redacted] new line between [redacted] and [redacted] that could [redacted] self-fulfilling prophecy of confrontation."

This sounds statesmanlike. [redacted] it means in plain English [redacted] that Washington [redacted] that [redacted] only [redacted] priority [redacted] Europe, but [redacted] it [redacted] an [redacted] US links with eastern Europe. From [redacted] of the

> **'Nato is dead. The corpse is twitching, but there is no life in it'**

[redacted] world, [redacted] hardly bold, considering [redacted] the prospects for democracy [redacted] ket reform are moderately good in eastern Europe and getting better, but [redacted] and rapidly getting [redacted]

The fact is that there is no [redacted] Senate will [redacted] give eastern Europe an American security guarantee, at [redacted] when [redacted] running [redacted] its [redacted] in [redacted] Europe. For Mr Clinton [redacted] guarantee 100,000 troops in western Europe sounds good; but it [redacted] nothing like good enough [redacted] troops [redacted] up an additional nuclear guarantee to Poland, Hungary and the Czech Republic if Russia is [redacted] potentially expansionist. And the more [redacted] Europeans need such a guarantee, the less their chance of getting it. The east Europeans have cavilled at the "partnership" proposal as [redacted] second best, but they have obviously got the real [redacted]

The Americans imply airily that Nato may one day be enlarged, depending [redacted] how the [redacted] Europeans respond [redacted] the "partnership" plan: if they get lots [redacted] practice [redacted] joint military exercises, they will have [redacted] their [redacted] stripes. This is hooey. The essential condition [redacted] Nato enlargement [redacted] that Russia must first [redacted] a record as [redacted] peaceful [redacted] stable market democracy. [redacted] that point, anybody can join Nato, [redacted] it will [redacted] longer matter whether the organisation is wound up, or converted [redacted] into a knitting circle.

Amid so much hypocrisy, there [redacted] one nugget of truth-telling which crept into Mr Clinton's Sunday speech: "We must build a new security for Europe. The old security was [redacted] on [redacted] our [redacted] against another bloc. [redacted] security must be [redacted] Europe's integration – [redacted] integration of security forces, of market economies, [redacted] ..."

There you [redacted] US policy in a nutshell. Not merely [redacted] Yugoslavia Europe's problem, but [redacted] too, [redacted] the security of [redacted] Europe; and it all depends on Europe's integration.

Traditional UK Atlanticists, who would much rather [redacted] in [redacted] in Europe, must [redacted] premonition [redacted] betray them. They may [redacted] through [redacted] fog [redacted] special relationship, [redacted] plan for "combined joint [redacted] forces" [redacted] really [redacted] advance warning [redacted] America plans [redacted] tip-toe out of Nato's back door, leaving the European allies [redacted] hold [redacted] baby [redacted] European security.

Unfortunately for the Atlanticists, [redacted] of [redacted] military alliance: it can only [redacted] with enemies; [redacted] can only mobi[redacted] integrated forces; [redacted] no majority voting; it [redacted] in multi-dimensional, pre-emptive diplomacy.

[redacted] membership for Poland [redacted] Hungary [redacted] available; they need membership of the European Union. The EU does not now have [redacted] credible [redacted] rity policy. [redacted] it [redacted] a flexible, multi-policy group with majority voting; and if it were to extend to the frontiers of Russia, a majority of its members would insist on an effective security policy.

Nato may not be dead but it isn't [redacted] solution [redacted] Europe's future security.

A party labouring to make a point

Kevin Brown on the UK opposition's struggles to find a long-term strategy to beat the Tories

Trevor [redacted]

Praying [redacted] guidance: [redacted] the party's [redacted] arrived

Mr [redacted] Smith, the Labour leader, [redacted] more [redacted] usually buoyant as parliament [redacted] terday after [redacted] Christmas [redacted] wonder. [redacted] Smith knows that Labour's big [redacted] arrived.

After coming [redacted] to disintegration [redacted] during [redacted] year's debate over the Maastricht treaty [redacted] European integration, the government shows further signs of tearing itself apart in a tortuous [redacted] over private morality. Adultery is [redacted] an [redacted] elections [redacted] lost. [redacted] trust [redacted] be.

[redacted] in [redacted] shadow cabinet [redacted] making public [redacted] on Conservative morals. [redacted] no [redacted] to. Every time Mr [redacted] they cannot [redacted] Tories on tax, [redacted] clear: [redacted] cannot [redacted] morals either.

[redacted] Tony Blair, one [redacted] Labour's rising stars, [redacted] it succinctly. "Back [redacted] Basics" – [redacted] government's campaign for [redacted] return to [redacted] family values – has, [redacted] "opened [redacted] gaping crack right at the cen[redacted] of the government. As [redacted] result, the Tories are now inca[redacted]ble as a party of providing the sense of direction and cohesion that [redacted] country needs."

From Labour's point of view, [redacted] furore [redacted] hardly have erupted [redacted] better time. A [redacted] deep UK recession, it lost [redacted] general [redacted] dent of winning. Since then Labour [redacted] struggled [redacted] formu[redacted] of policy ideas capa[redacted] of preventing [redacted] sive Conservative victory [redacted] the [redacted] election, [redacted] by 1997.

[redacted] opportunity [redacted] exploit the enemy's mistakes [redacted] one thing. [redacted] Labour have [redacted] intellectual confidence – [redacted] stomach – [redacted] sustain [redacted] long-term offensive against [redacted] government? [redacted] tried to [redacted] that question [redacted] end of the [redacted] by [redacted] drawing parliamentary co-operation with [redacted] Conservatives, ostensibly because [redacted] government guillotined [redacted] statutory [redacted] pay [redacted] national insurance contribu[redacted]

Few MPs accept [redacted] assertion [redacted] his motive [redacted] defend Parliament against an arrogant government. After all, Mr Michael Foot, leader of the Commons in Mr James Callaghan's Labour administration in the late 1970s, once [redacted] short [redacted] five bills [redacted] day. The cynical [redacted] in [redacted] and [redacted] rooms at [redacted] minster is that the [redacted] campaign was [redacted] as [redacted] smokescreen [redacted] opposition's procedural incompetence during December's Budget debate, when Labour's treasury team missed a prime chance [redacted] embarrass [redacted] government: it [redacted] table [redacted] amendment [redacted] government plans to impose value [redacted] heating fuel.

"This is an artificial row," says a Conservative whip. "I've been here during real rows when Labour MPs have [redacted] snarling [redacted] us in the corridors. Nothing [redacted] is happening at [redacted] moment; they [redacted] all smiles – when they bother [redacted] up."

This is [redacted] Tory hyperbole. Commons records show that more [redacted] 190 of the 200 [redacted] with [redacted] best voting records are Conservatives. With the exception of [redacted] of zealots [redacted] Mr Dennis Skinner, the veteran leftwing "Beast of Bolsover", Labour MPs are largely going through the motions [redacted] challenging the government and, [redacted] 14 years [redacted] opposition, [redacted] say [redacted] morale [redacted] at [redacted] mediocre.

There have [redacted] successes. [redacted] Gordon Brown, [redacted] chancellor, have plugged away [redacted] the [redacted] of [redacted] promises. Mr Major [redacted] pushed on [redacted] defensive when explaining why the government promised [redacted] election not to increase taxes, [redacted] then [redacted] Blair, [redacted] home secretary, has reversed Labour's traditionally [redacted] image on fighting crime with [redacted] promise to [redacted] tough on criminals [redacted] well as [redacted] of crime.

At [redacted] time, [redacted] John Prescott [redacted] fully attacked [redacted] government's road building plans [redacted] transport secretary, and shows signs of being effective in [redacted] role [redacted] employment [redacted] tary. [redacted] Cook, [redacted] industry spokesman, has shown that the government [redacted] policy – [redacted] provoked [redacted] Clarke, [redacted] chancellor, [redacted] intervene in [redacted] Commons speeches.

All [redacted] this has had [redacted] effect. The party [redacted] led the Conservatives in the opinion polls for [redacted] than [redacted] year. At times [redacted] has had [redacted] support of more than [redacted] per cent of voters. [redacted] few at Westminster take [redacted] polls too seriously. Labour enjoyed [redacted] similar [redacted] before the last election, only [redacted] to see [redacted] as polling day [redacted]roached. To stay ahead, [redacted] will have to [redacted] positive [redacted] failing [redacted]

All oppositions find [redacted] difficult [redacted] Labour [redacted] problem. [redacted] has, almost literally, no [redacted]

To [redacted] extent, [redacted] deliberate. [redacted] first [redacted] by [redacted] replaced [redacted] was [redacted] policies on [redacted] was fought. [redacted] strategy [redacted] the party from [redacted] historical baggage. [redacted] of [redacted] years, fraught with [redacted] clashes [redacted] unilateral nuclear disarmament, [redacted] and taxation, Labour [redacted]

In internal party [redacted] the policy review [redacted] by [redacted] Smith [redacted] served [redacted] purpose. Arguments about economic and social policy have been kicked [redacted] touch. [redacted] ing divisions between [redacted] party's modernist and traditional[redacted] wings have been cooled, [redacted] least been papered [redacted]

But the divisions have not disappeared. They surfaced during the debate on the Sunday trading bill in [redacted] Traditionalists argued for tight restrictions to defend shop-workers; modernists argued for greater individual freedom, particularly for working [redacted] There [redacted] an ugly moment after the [redacted] when [redacted] Skinner delivered an angry lecture on working [redacted] solidarity [redacted] Mr Blair, the prototype modernist.

Other currents [redacted] swirling around Mr Smith. More than [redacted] MPs [redacted] joined the Full Employment group, set up by Mr Bryan Gould, a former trade [redacted] industry spokesman, [redacted] campaign for [redacted] return to explicitly Keynesian economic policies. The Social Justice Commission, [redacted] up [redacted] develop a [redacted] social policy framework, [redacted] provoked unrest with [redacted] interim reports which, for instance, have hinted that universal child benefit might [redacted] retained by [redacted] Labour government.

Labour leaders argue that [redacted] review [redacted] enabled [redacted] party to [redacted] committing itself [redacted] detailed policies of [redacted] sort which, arguably, cost it the [redacted] election. Even cabinet ministers concede privately [redacted] Mr Smith is right [redacted] keep his powder dry. That way, he will retain the [redacted] to man[redacted] in changing circum[redacted] which was [redacted] Mr Kinnock in 1992.

But [redacted] not confined to details. Its scope is so [redacted] the party [redacted] longer [redacted] an ideological framework within which its spokesmen [redacted] operate with confidence. A [redacted] says: "What [redacted] party stand for? I [redacted] know, [redacted] I don't [redacted] either." For [redacted] being, Labour [redacted] a hole [redacted] policy should be, and it shows. Every [redacted] Labour spokesman stands up [redacted] criticise [redacted] government, [redacted] the [redacted] what [redacted] do, and [redacted] would you pay for it? These are [redacted] Labour cannot [redacted]

"[redacted] to [redacted]" [redacted] given Labour [redacted] much [redacted] 'ammunition. [redacted] senior party figures fear [redacted] the party will need [redacted] more than exploit Tory peccadilloes if it [redacted] to return to power. And [redacted] of trust, they [redacted] may [redacted] double-edged [redacted] "The party [redacted] bland," says one. "Smith's strategy [redacted] not [redacted] upset [redacted] and [redacted] hope [redacted] the best. But the truth is that [redacted] public don't trust us, [redacted] they won't until we offer [redacted] alternative. That is the only way we can win; that is what people voted for in 1945 and 1963 [Labour election victory [redacted] though it didn't necessarily turn out that way."

LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL
Fax 071 873 5938. Letters transmitted should [redacted] clearly typed and [redacted] written. [redacted] set [redacted] for finest resolution

Any finance preferable to bank borrowing

From [redacted] J Spencer.

Sir, [redacted] to [redacted] Warnes's letter (January 4) regarding growth [redacted] companies vowing [redacted] to borrow again. This [redacted] 20 years [redacted] this year, recently approached [redacted] for a loan. The bank's proposed [redacted] amounted to [redacted] 3 [redacted] cent of [redacted] sum [redacted] required a charge [redacted] company's assets, [redacted] personal guarantee from me and a mortgage on our home. It also suggested we should use three sets of solicitors to advise (a) the company, (b) me, (c) my wife.

In addition, it retained the [redacted] to debit the [redacted] with such administration charges [redacted] it, [redacted] discretion, saw fit and, finally, [redacted] that, no [redacted] in [redacted] balance over time [redacted] might be, it would still [redacted] its charge [redacted] our home at [redacted] original level.

[redacted] this we are trying, as [redacted] suggests, [redacted] a different source of funds. Perhaps [redacted] chancellor's [redacted]prise initiative scheme [redacted] a way. Notwithstanding [redacted] reluctance to borrow, [redacted] business is growing and we have increased employment.

Robert J Spencer,
Fluid Dynamics International,
Finlandia House,
Oxford Road,
Gerrards Cross, Bucks SL9 7RH

Model is no quick fix for hospitals

From [redacted] John Kelly.

Sir, [redacted] in the article, "Production line [redacted] for patients" [redacted] Karo[redacted] Hospital, Sweden (January 7).

The suggestion that this experience is unique is incorrect. Many hospitals, initially in the US but increasingly in the UK, have adopted "patient focused" organisational [redacted] which are, indeed, derived from approaches to [redacted]tructuring in [redacted] motor industry.

The widespread enthusiasm for these models (including that of the UK secretary of state for health) should not obscure the [redacted] that the long-term cost/benefit [redacted] ambiguous. The [redacted] attractions of patient focused care should [redacted] fully against [redacted] potential risks, which we identified in our report "Patient focused care – a [redacted] case for [redacted]ment". [redacted] hospitals [redacted] learn from [redacted] motor industry is that there is no quick fix and no alternative to a sustained commitment to quality.

John Kelly,
director,
[redacted] Kelly & Whittlestone,
[redacted] Street,
[redacted]

Not really so friendly?

From Mr L J S [redacted]

Sir, In your report [redacted] friendly societies' diversification plans ("Time [redacted] put away [redacted] knitting needles", Janu[redacted] quote one of their representatives [redacted] saying: "If I could [redacted] something [redacted] to make [redacted] my mother would [redacted] come and live with me, I probably would."

If this [redacted] to be [redacted] driving spirit in future, surely the soci[redacted] should be obliged [redacted] change the name on [redacted] umbrella under which they trade. What does mother think?

L J S Evans,
[redacted] Thorndale Court,
Clifton, Bristol BS8 2JA

Again out of step with Europe

From Dr R Barrass.

Sir, Dr Harold Hughes (Letters, January 8) raises [redacted] very pertinent questions concerning passport checks on travellers [redacted] European Union. [redacted] single [redacted]ket, [redacted] by Article [redacted] of the [redacted] Treaty as "an [redacted] internal frontiers". [redacted] UK government [redacted] the article [redacted] subject to "differing interpretations": but free circulation of goods [redacted] EU is clearly [redacted] in [redacted] – so why not [redacted] circulation [redacted] people?

Systematic passport controls [redacted] within [redacted] not essential, because [redacted] are alternatives, based [redacted] national authorities, for controlling [redacted]ment [redacted] terrorists [redacted] illegal immigrants. [redacted] blueprint for [redacted] pro[redacted] by [redacted] agreement of nine member [redacted] abolish [redacted]port controls at their common frontiers. The UK, [redacted] a non participant, has not [redacted] in [redacted] *position* to influence this agreement, but [redacted] nevertheless have [redacted] adopt many [redacted] elements. The [redacted] would no doubt [redacted] arrangements more suited to our continental neighbours than [redacted] UK, thus repeating the history of Britain's [redacted] membership [redacted] European Community. [redacted] much for being [redacted] the [redacted] of Europe.

R Barrass,
[redacted] Newburn Street,
London SE11 5PJ

Basic image

[redacted] Mr [redacted] Gendler.

Sir, Whenever I hear the phrase "back [redacted] basics" I think [redacted] Tesco low pricing promotion [redacted] called "Basics". An [redacted] Prime Minister John Major standing in front of [redacted] Downing [redacted] holding up [redacted] Tesco carrier bag pops [redacted] my brain.

It [redacted] to me that [redacted] attempts [redacted] obtain short-term advantage using a [redacted] of [redacted] that [redacted] public [redacted] fundamental. The difference between them [redacted] that [redacted] promotion is [redacted] plausible in the case of the retailer than in the case of the government.

Nick Gendler,
principal consultant,
CIMI,
[redacted] Square, London NW11

Under-prescribing by doctors may be penny wise, pound foolish

From Dr J P Griffin.

Sir, Your [redacted] ("Curbing [redacted] of drugs", January 7) rightly warns that bearing down on pharmaceutical [redacted] can [redacted] increasing [redacted] costs of more expensive hospital [redacted] out-patient treatment. However, [redacted] suggest [redacted] should [redacted] incentives to provide no more [redacted] patients than is needed, [redacted] overlook [redacted] potentially expensive practice [redacted] doctors prescribing [redacted] than they [redacted]

[redacted] are already supply [redacted] restrictions on industry [redacted] through [redacted] pharmaceutical [redacted] regulation scheme and, on [redacted] demand [redacted]cial incentives [redacted] doctors [redacted] contain [redacted] prescribing. But there [redacted] no [redacted] by which doctors [redacted] being encouraged [redacted] increase [redacted] improve their prescribing, [redacted] when [redacted] evidence that it would bring such long-term savings [redacted] you identified to the National [redacted] Service.

Doctors, [redacted] pressures from their local health authorities, [redacted] avoiding advances in [redacted] the grounds [redacted] their perceived costs. [redacted] example [redacted] take-up in [redacted] UK of ACE inhibitors [redacted] high [redacted] force has reported [redacted] "there [redacted] overwhelming evidence that, in [redacted] failure, ACE inhibitors can improve quality [redacted] life, reduce [redacted] and reduce hospital admis[redacted] than 5 per [redacted] heart failure patients receive [redacted] treatment".

A further study [redacted] this [redacted] of [redacted] shown that treatment [redacted] insulin-dependent diabetics with an [redacted] inhibitor [redacted] also dramatically [redacted] risk [redacted] kidney fail[redacted] well [redacted] halving the death [redacted] among patients [redacted] risk, such treatment would [redacted] NHS [redacted] a year in the [redacted] reduced dialysis or kidney transplants – [redacted] allowing for the [redacted] prescribing the [redacted] inhibitor.

Cost saving schemes [redacted] currently designed solely to reward those who prescribe fewer [redacted] cheaper medicines but this penny wise, pound [redacted] approach [redacted] not in [redacted] interests of individual patients or the taxpayers' interests [redacted] achieving a cost eff[redacted] NHS. A rise in the medicines bill, like a reduction in hospital beds, [redacted] be [redacted] sign of improving health.

J P Griffin,
director,
Association of the British Pharmaceutical Industry,
[redacted] Whitehall, London SW1

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Number One Southwark Bridge, London SE1 9HL
Tel: 071-873 3000 Telex: [redacted] Fax: 071-407 [redacted]
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An end to foot-dragging

Does the insurance industry understand the real world? The question arises from the wrangle over creating a new self-regulatory body, the Personal Investment Authority.

Its history [redacted] been a [redacted] one. First, the people putting together the new body needed some overt spine-stiffening from Mr Andrew Large, who sits atop the regulatory pyramid as chairman of the Securities and Investments Board. Then they had to overcome the hostility of the clearing banks, the abrupt departure of their putative chairman, and a public questioning of their objectives by Mr Mick Newmarch, boss of the Prudential.

Now, one of the PIA's founding committee has himself resigned in protest. Mr Jim Stretton, deputy managing director of Standard Life, is not by temperament a rabble-rouser, and the life office for which he works [redacted] Edinburgh respectability incarnate. Yet, like the Pru's Mr Newmarch, he may underestimate the challenge now facing the industry.

The current system of regulation, says Mr Stretton, is unsatisfactory; [redacted] mooted replacement worse. [redacted] intended composition of the PIA's board – nine "public interest" representatives, [redacted] active industry participants and the authority's chief executive – tilts the balance too far away from the industry to be true self-regulation, he feels. [redacted] would therefore be better to go the whole hog, setting up [redacted] statutory body with proper public accountability.

In the abstract, this argument has some merit. But the future of insurance industry regulation is [redacted] an abstract matter. The early years of the current phase of regulation were unduly influenced by the industry itself; since then, the regulators [redacted] had to [redacted] to convince [redacted] life [redacted] of the [redacted] for commission disclosure. [redacted] – [redacted] far too widespread – selling practices have [redacted] revealed. [redacted] and [redacted] damaging [redacted] discovery that many [redacted] of [redacted] industry's hot new product of the [redacted], the personal pension, were [redacted] without proper documentation, [redacted] against [redacted] obvious [redacted] the purchaser.

Since Mr Large took over at the SIB, he has made serious efforts to [redacted] problems. He has also had to decide whether to [redacted] the government to tear up the current structure of regulation, [redacted] make it work better. He [redacted] chosen the latter course, and has not had [redacted] great deal of public support [redacted] industry in doing [redacted] – though [redacted] people, including Mr Stretton, have given much [redacted] private to [redacted] building [redacted] PIA.

That is not enough. It is time for [redacted] in the industry [redacted] appreciate [redacted] much [redacted] on public confidence [redacted] speak out in support of Mr Large's [redacted] it [redacted] for ministers [redacted] clear that, [redacted] push [redacted] shove, [redacted] will [redacted] legislative [redacted] support [redacted] any [redacted] foot-dragging from the industry. The real world demands no less.

Ukraine's peril

On Monday night in Brussels President Bill Clinton announced an agreement between [redacted] US, Russia and Ukraine on removal of all former Soviet nuclear missiles from Ukrainian territory.

Celebration would be premature. The past two years have seen a series of agreements in principle to the same effect, and Ukrainian officials have already warned that this latest one is not yet in final form. [redacted] year the Rada, [redacted] the [redacted] protocol (associating Ukraine with the US-Soviet "Start I") [redacted] only in an incomplete form, [redacted] even then hedged it about with improbable conditions. [redacted] Leonid Kravchuk [redacted] said he will wait for [redacted] new Rada to be elected in March before putting the new agreement to the vote.

Until now western leaders have shown little patience with Ukraine's democratic procedures. Mr Clinton on Tuesday [redacted] least broke with that tradition, expressing his confidence in Mr Kravchuk [redacted] remarking [redacted] often have to sell to their legislat[redacted] what they [redacted] in the national interest [redacted] their country". The [redacted] to have [redacted] that Ukraine's demands for financial compensation and security guarantees, even if over optimistic, are not wholly unreasonable.

Yet Ukrainians would be foolish indeed if they imagined that the independence and integrity [redacted] their new [redacted] can [redacted] either by [redacted] weapons [redacted] by carefully worded [redacted] guarantees, or indeed by western financial aid. Such things can only be complements to any nation's security. The first prerequisite is a united people, confident of its national identity and generating the resources to defend it.

Two years ago, when Ukraine became independent by the free choice of more than 90 per cent of its voters, cutting across ethnic and regional divisions, that kind of security seemed within reach. Most of the 11m ethnic Russians in the country were happy to become Ukrainian citizens, believing this the route [redacted] prosperity.

Mr Kravchuk [redacted] sought to maintain [redacted] somewhat adventitious national unity by avoiding painful economic decisions. But this policy has had precisely the opposite effect. There is hyperinflation, steeply falling production, [redacted] energy shortages. Ukraine's economic predicament [redacted] now such that many [redacted] its [redacted] see Russia as an oasis of golden riches – not least in Crimea where candidates in this week's presidential [redacted] vying with each other in pro-Russian rhetoric.

Ukraine's desperate need, apparently not perceived by [redacted] rulers, [redacted] genuine economic reform. Without this, it may soon have to [redacted] a return [redacted] sian hegemony, [redacted] Crimea and possibly other Russified regions, or a downward spiral of [redacted] such [redacted] already made [redacted] mockery [redacted] independence in [redacted] ex-Soviet republics.

Chunnel pricing

Investors have not done too well so far out of Eurotunnel. Now it [redacted] like [redacted] not [redacted] a particularly good deal either. That, [redacted] any rate, is the impression given by the prices Eurotunnel proposes to charge for its car passenger service.

The pricing schedule, announced yesterday, ranges from £220 for a return journey in winter to £310 in the peak summer months. Not only [redacted] the prices higher than expected. They [redacted] also slightly higher than those charged by S[redacted] Sealink and P&O European Ferries, the [redacted] ferry [redacted] which dominate the cross-Channel market.

Moreover, there is every sign that neither Eurotunnel nor the ferry companies want to engage in a price war. At every opportunity, they stress the point. P&O yesterday even took the step of commending Eurotunnel's [redacted] as "positive and realistic". What we are witnessing are the latest moves in a complex oligopoly game. Eurotunnel is anxious [redacted] avoid a price war because its gigantic debts mean [redacted] has [redacted] find £600m in annual interest payments alone. Equally, the ferry companies are concerned that an erosion of margins would force them out of the market.

But passengers should not lose heart. Just because the main players say they do not want a price war does not mean that they can necessarily stop one. Oligopoly games are hard to control.

In the short run, Eurotunnel has every incentive to use the ferry companies' prices as a benchmark for its [redacted] services. This [redacted] several months the group will not [redacted] able [redacted] run [redacted] full capacity [redacted] shortage [redacted] rolling stock. [redacted] little point in cutting [redacted] point where it [redacted] satisfy demand.

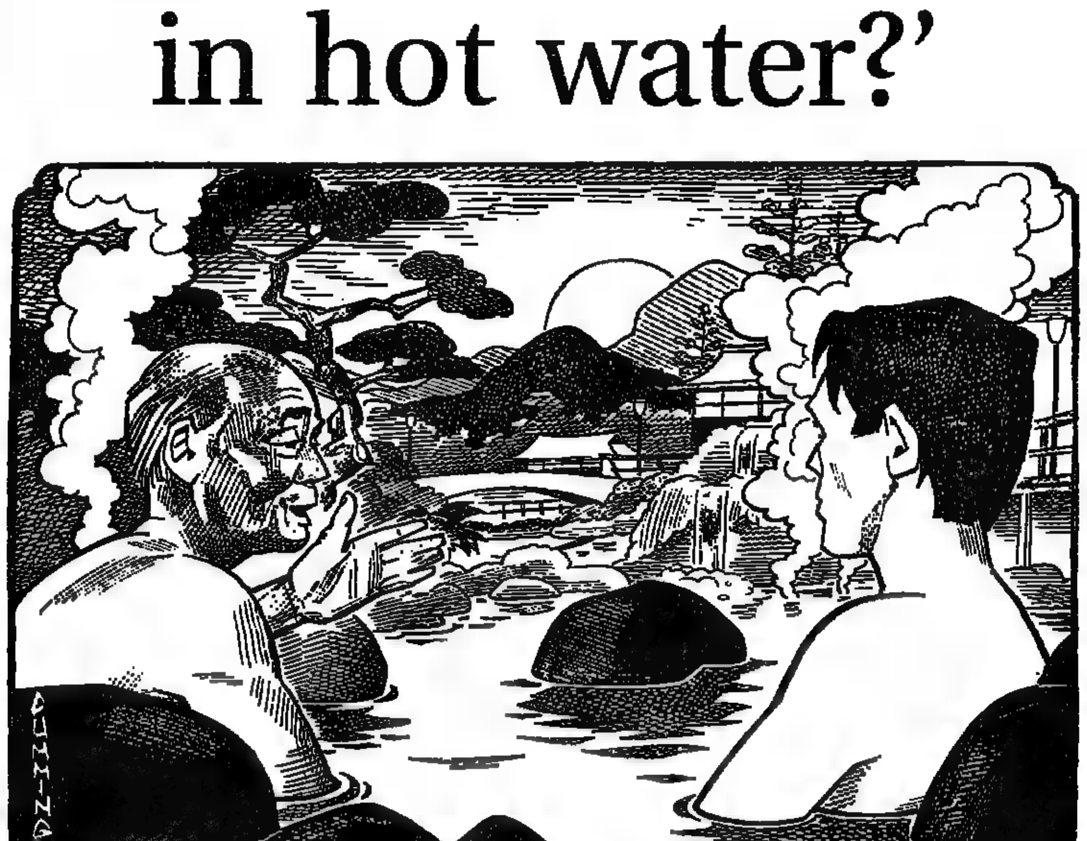
In the longer run, it could be in Eurotunnel's [redacted] prices. Only by running the tunnel at near to full capacity will it be able to make a sufficient return to satisfy investors. But that will probably require an expansion of [redacted] market, not merely taking market share from the ferry companies, and in turn will mean that fares will probably have to fall.

Moreover, [redacted] can [redacted] from the fact that some benefits have already come through in anticipation [redacted] Eurotunnel's opening. Ferry companies have upgraded their services and marketed a wide range of special offers involving deep discounts off their standard tariffs. Customers will also gain from the [redacted] that Eurotunnel's service is faster and more reliable than the ferry companies'.

This does not mean that competition concerns can be dismissed. Eurotunnel and the ferry groups may be able to avoid [redacted] price war, especially if [redacted] and Sealink were [redacted] by the competition authorities to combine some [redacted] their operations – a [redacted] which would be [redacted] premature. But this is a [redacted] which [redacted] continued vigilance rather than immediate action.

William Dawkins overhears [redacted] young member of Japan's finance ministry seeking advice from his elderly mentor

'Sensei, are we still in hot water?'



It is a snowy day in the mountains north of Tokyo. An old man sits up to his neck in a rock pool of steaming water, taking a therapeutic soak in the wooded setting of one of Japan's most famous [redacted], or hot water springs.

His name is Takeshi, a retired senior finance ministry bureaucrat. When not playing golf or meditating in hot baths, he is employed as an adviser to several of the world's largest banks.

A worried-looking young man, wearing [redacted] *yukata* – a cotton bath robe – pads down the snowy path, undresses, shivers and slips into the pool. This is Tokoro, [redacted] bureaucrat at the all-powerful finance ministry, [redacted] owes [redacted] prestigious job to Takeshi's patronage.

[redacted] a flannel [redacted] his lean, fit-looking face [redacted] acknowl[redacted] young [redacted] attempt [redacted] semi-submerged bow. "What brings [redacted] here, my boy?" he [redacted].

"I [redacted] your advice, *sensei*," Tokoro replies. "That troublesome prime minister of ours has [redacted] to write a report about the recession. [redacted] it going [redacted] he [redacted] to know.

"He [redacted] quick solutions, in [redacted] announce them [redacted]. The [redacted] is the [redacted] job on his list [redacted] political reform, which he thinks [redacted] will get through parliament [redacted] Wednesday, despite [redacted] his [redacted] in the Liberal [redacted] party. [redacted] regrettable. I thought [redacted] job was [redacted] keep politicians in the dark."

[redacted] his [redacted] for a moment looking [redacted] dangerous water lizard. Playing safe did not [redacted] him [redacted] his position as a member [redacted] the "iron triangle" [redacted] senior bureaucrats, [redacted] politicians, [redacted] covertly [redacted] Japan.

"You [redacted] learn [redacted] move with [redacted] times," [redacted] says. "Politicians [redacted] days [redacted] give [redacted] impression [redacted] they, [redacted], are running [redacted] country. [redacted] give Prime [redacted] all, your ministry will far outlast his fragile government."

Tokoro looks alarmed. "You don't mean I should [redacted] the prime [redacted] truth?"

"By all means," replies [redacted]. "Tell him [redacted] economy might get [redacted] bit worse soon, then improve maybe late this year. But it will be [redacted] pretty weak recovery, [redacted] years [redacted] complacency by your bureaucratic colleagues – if you will forgive [redacted] for being blunt – and by [redacted] establishment have allowed surplus industrial capacity [redacted] excess employment [redacted] build up. Companies [redacted] employing [redacted] 1m and [redacted] people more than they need – [redacted] the same number [redacted] the [redacted] officially unemployed.

"On top of this, it will take the banking system such a long time to write [redacted] bad debts, caused by [redacted] in property [redacted] prices, that it [redacted] be expected to [redacted] strong recovery. [redacted] the gloomier [redacted] my banking colleagues privately reckon their [redacted] are [redacted] Y30,000bn [£179bn], just [redacted] 11 [redacted] year's [redacted] profits.

"Unless Mr [redacted] action, [redacted] uncontrollable deflationary spiral [redacted] banking crisis. Judging by the [redacted] rise in share prices, [redacted] market [redacted] won't happen. Yet in fact, [redacted] crisis might be just the thing [redacted] need [redacted] sharpen [redacted] of [redacted] squabbling [redacted] partners," [redacted] the old man.

The effort of listening [redacted] this long speech makes Tokoro look [redacted] more overheated than [redacted] *sensei*, hard-boiled by many years [redacted] hot [redacted] bathing.

"[redacted] can it [redacted] worse?" asks [redacted] pupil. "Already, this [redacted] is [redacted] since the [redacted] And I don't believe the [redacted] story [redacted] surplus [redacted] labour. I thought [redacted] had a long-term shortage [redacted] work[redacted] we don't now, we [redacted] will have, as [redacted] proportion [redacted] people over 65 increases [redacted] now [redacted] in four by 2020," [redacted] says, checking the figures from [redacted] damp note-book wrapped [redacted] towel. "Moreover, [redacted] ministry [redacted] allow [redacted] banking crisis. [redacted] are [redacted] paid for?"

Takeshi, amused by the young man's innocence, [redacted] benevolently. [redacted] spiral of steam twists round [redacted] head, adding [redacted] the pupil's troubled impression [redacted] all [redacted] what it [redacted].

The [redacted] explains: "Your ministry colleagues like to [redacted] so long as [redacted] rebounds, [redacted] can go back [redacted] normal. But the real economic problem is deeper [redacted] that. Why do you imagine the Y30,000bn of pump-priming mea[redacted] produced over [redacted] past [redacted] months and the [redacted] low [redacted] rates our [redacted] at [redacted] Bank [redacted] Japan [redacted] kind enough to [redacted] have had such little [redacted]"

"Obviously, [redacted] measures [redacted]en't enough," [redacted] Tokoro. "We [redacted] ministry have [redacted] opposition [redacted] cut that Mr [redacted] so badly, because [redacted] appears to have accepted [redacted] argument that it must be [redacted] by a [redacted] a good sign.

"Some politicians [redacted] consumer demand [redacted] improve [redacted] if we scrapped the planned [redacted] rise. But [redacted] cannot [redacted] that. Somehow [redacted] must [redacted] for [redacted] decline in income tax [redacted] will [redacted] place as [redacted] all [redacted] older, [redacted] drawing our [redacted] pensions. There are plenty of [redacted] me [redacted] for your pension, *sensei*, but [redacted] going [redacted] pay for mine?"

Takeshi scoops [redacted] handful of snow from the pool [redacted] and throws it at [redacted] – recalling the Zen masters' technique [redacted] using shock [redacted] into slow pupils. "We need tax reform, but [redacted] be fooled [redacted] thinking [redacted] is the way to economic nirvana," he [redacted].

"The amount [redacted] afford [redacted] give away in income [redacted] cuts, say between Y5,000bn and Y10,000bn, is [redacted] enough [redacted] the economy. And as I have tried to explain, demand [redacted] not the real problem."

Tokoro gives [redacted] despairing look. "Have you got anything [redacted]tive [redacted] say?" he asks.

"Yes," [redacted] Takeshi. "Mr Hosokawa still has time to stop deflation before it runs out of control. He [redacted] improve the supply of credit and help companies curb surplus capacity, so as to increase their profitability. First, he must [redacted] up the supply of credit by making it practical for banks [redacted] turn bad debts into marketable securities. It would also help the banks if he dismantled the heavy property [redacted] we introduced in 1987 to try to brake the rise in land prices."

Tokoro says: "Some of [redacted] the ministry have been thinking about securitisation for some months. We have not yet persuaded colleagues in other departments, who think securitisa[redacted] is a dodgy practice that might [redacted] another uncontrollable rise [redacted] prices. I'll try harder, but I can't guarantee anything, *sensei*.

"But what [redacted] we do about the other big problem, industrial overcapacity?" asks the pupil. "The bureaucracy is not [redacted] powerful [redacted] it [redacted] in your day. We can't just tell [redacted] to close down, for instance."

"Of [redacted] not, thank goodness," Takeshi replies. "But you can [redacted] administrative guidance to encour[redacted] companies to reduce their workforces [redacted] bring their break-even levels [redacted] in line with their leaner [redacted] and south-east Asian competitors."

"Why haven't you mentioned deregulation?" asks Tokoro. "I know it's a deplorable policy, but the electorate really [redacted] share Mr Hosokawa's fondness for it. Too [redacted] economists are saying [redacted] fewer regulations will improve corporate profitability in [redacted] long run."

Takeshi sighs. "This deregulation crusade only shows how you young bureaucrats [redacted] losing your grip [redacted] power. [redacted] don't despair. Mr Hoso[redacted] the first [redacted] try deregulation, and you [redacted] joins [redacted] of failures. Stop trying to [redacted] hard. When it becomes clear [redacted] powerful business inter[redacted] will get hurt as regulations [redacted] removed, [redacted] whole thing should [redacted] away, as [redacted] has in the past."

"I am always grateful for your wisdom," says Tokoro. "I will [redacted] your [redacted] the honourable prime minister. But if I get fired as a [redacted] of his campaign to win control over [redacted] bureaucracy, can [redacted] me a job at one [redacted] your banks?"

[redacted] "Certainly, dear [redacted] If we Tokyo University grad[redacted] didn't [redacted] after each other, where would Japan be today?"

A citizen's income could cut red tape

All the main political parties in the UK [redacted] considering reforms to [redacted] tax and social security system. One idea they should revisit [redacted] the "negative income tax", which [redacted] benefits into [redacted] single [redacted] payment from the state, while taxpayers would pay their [redacted] bill minus [redacted] to which they were [redacted].

This is, in effect, a step [redacted] citizen's income, an [redacted] of income for everyone. Under [redacted] an arrangement, those with [redacted] than [redacted] guaranteed citizen's income from earnings or [redacted] receive the balance from [redacted].

[redacted] of the strongest [redacted] single [redacted] income [redacted] would replace the costly [redacted] and human humiliation [redacted] and [redacted] currently in force. [redacted] guarantees [redacted] citizenship [redacted] all [redacted] than the special requirements [redacted]. They dispense with complex [redacted] especially if they are tied [redacted] the income tax system. They remove the bureaucratic [redacted] of collecting money from people in taxes only [redacted] pay sums back to them in benefits.

The concept of "negative income tax" is simpler than the reality. Defining the level of income entitle[redacted] big economic, political and social questions. And there are [redacted] incentives [redacted] work [redacted] save when there is an unconditional entitlement [redacted] from the [redacted] But when all is [redacted] and done, [redacted] case in favour of [redacted] income guarantees for all [redacted] is still persuasive.

Above all, [redacted] citizen's income could make bearable [redacted] greater labour market flexibility which is [redacted] answer [redacted] the vexing problems [redacted] long-term, structural unemployment. The levels of real wages and [redacted] labour [redacted] poten[redacted] employers. Without them, hun[redacted] thousands of new jobs would emerge.

But – and this is a big but – a "jobs miracle" [redacted] on lower [redacted] costs would have [redacted] price, [redacted] it [redacted] in the US. There, the price is called the working poor. For more than a decade, the real wages of [redacted] than half those employed in the [redacted] have been declining. The bottom 10 per cent, if [redacted] per cent, have for some time been people who have [redacted] job but do not earn enough [redacted] sustain themselves decently, let alone to sustain a family. They [redacted] working, but they [redacted] so

A citizen's income would replace the costly waste and humiliation of welfare provision

poor [redacted] they [redacted] help.

I find the distinction between deserving [redacted] undeserving poor distasteful. But [redacted] those with fewer moral qualms would probably [redacted] there [redacted] something [redacted] about hard-working people not earning enough [redacted] live on.

Why [redacted] not start the implementation of the citizen's income [redacted] with this category?

This is, [redacted] James [redacted] proposed [redacted] spoke of using [redacted] income" [redacted] "the measures for the downward flexibility of [redacted] of pay" designed "to increase [redacted] demand for labour" (*Liberty, Equality and Efficiency, Macmillan,* [redacted]).

One way [redacted] financing [redacted] income, [redacted] suggested, was "the imposition of a special surcharge [redacted] first slice of every citizen's income other than the basic income itself". Contributions could [redacted] flat[redacted] progressive; the latter would allow gradations of citizens' income support, [redacted] what [redacted] a "negative income tax".

There is by now [redacted] literature on [redacted] implications [redacted] this [redacted] clear [redacted] it [redacted] viable. Beginning [redacted] who actually [redacted] a wage but [redacted] earn enough would [redacted] purposes: [redacted] would help a [redacted] labour market develop while reducing the [redacted] of [redacted] American dilemma, [redacted] working poor. [redacted] remain, [redacted] be [redacted] Perhaps [redacted] difficult [redacted] who [redacted] level of [redacted] income guarantees and on what grounds is it set?

There is [redacted] putting the same question: how [redacted] prevent the [redacted] from becoming a political football? In most European countries, the answer [redacted] fairly clear. An indepen[redacted] would [redacted] up which is [redacted] by certain rules.

In Britain, with [redacted] tradition of parliamentary sovereignty, this is hardly likely. But perhaps restrictions could be imposed, in the required legislation, on [redacted] extent of [redacted] changes of [redacted] initial level [redacted] in any subsequent year.

In any case, there is room for lateral thinking in future budgets which [redacted] themselves to the longer [redacted] rather [redacted] year, [redacted] even [redacted] election.

Lord Dahrendorf

[redacted] author is warden of [redacted] Antony's College, Oxford. This is [redacted] of a series of articles [redacted] the future of the welfare state. Previous articles appeared [redacted] October 25, November 3, 8, 17, [redacted] 24, 30, December [redacted] 15, 31, January [redacted] 11.

OBSERVER

Loch, stock and barrel

■ John Major is [redacted] in having problems with his "[redacted] Basics" policy. [redacted] Brealey, probably [redacted] known [redacted] being the first Briton acquitted of [redacted] dealing, [redacted] a similar problem.

Brealey says that he, [redacted] Major, [redacted] thought [redacted] Basics" [redacted] for his [redacted] venture – giving disadvantaged youngsters a fresh start in life by sending them on a training [redacted] on west Scotland's Knoydart peninsula. After being knocked into shape, Brealey's young chaps will enjoy [redacted] spot of Far Eastern travel, plus the [redacted] of a bit of work experience in one [redacted] Indian jute mills run by Brealey's Titaghur group. Titaghur bought [redacted] big [redacted] of Knoydart [redacted] year.

In his annual report Brealey [redacted] official [redacted] of youngsters in care by 50 per cent. As he still has to win the hearts and minds of the [redacted] residents of Knoydart – some seem a mite unwilling [redacted] underprivileged teenagers into their backyard – [redacted] neither here [redacted] there.

Brealey acknowledges that Titaghur's shareholders, who have [redacted] without a proper share quote [redacted] more [redacted] three [redacted], may question [redacted] wisdom [redacted] his latest diversification, though [redacted] their patience.

Meanwhile, he hopes Titaghur's shares will soon [redacted] listed on Nasdaq. Yesterday, no one at Nasdaq's London [redacted] had [redacted] Titaghur.

Basic homework

■ John Major suggests there [redacted] been [redacted] wilful misunderstanding of his "Back [redacted] Basics" campaign; [redacted] always intended [redacted] applied [redacted] matters such [redacted] economics and education. Quite [redacted] we [redacted] imagined that [redacted] of his team [redacted] return to the three Rs – romping, repercussion and resignation – with such gusto.

All abhorred

■ If Eurotunnel's financial success hinges [redacted] financial forecastes, [redacted] omens are grim. The owners [redacted] the tunnel clearly underestimated [redacted] turn-out [redacted] yesterday's press conference announcing [redacted] for Le Shuttle.

Journalists and [redacted] squeezed into a [redacted] suite at London's Hyde [redacted] Intercontinental Hotel, forcing one sweating participant to ask whether the cramped conditions were intended as [redacted] of the tunnel itself. Commercial director Christopher Garnett said no, shuttle trains would [redacted] air-conditioned.

But [redacted] overcrowding, [redacted] the timetable [redacted] a little slack. Garnett's slide presentation started in reverse order. The [redacted] rather last) slide to appear on the screen? "We are ready . . ."

'Bring [redacted] exhibit A'

Gobbledygook

■ Good to [redacted] Britain's Labour party is taking Al Gore's grand [redacted] on [redacted] policy for telecommunications "super highways" so seriously. Even [redacted] the US vice-president [redacted] spoken yesterday, Jim Cousins, Labour's "communications spokesperson", had [redacted] his response [redacted]

Unfortunately, something [redacted] lost in transmission. It began with "UnlessweactsoonweU>willu> beAEleftöout*of", and the [redacted] was equally unintelligible.

Pots and kettles

■ [redacted] Evening Standard clearly relishes [redacted] Tory party's current moral squirming. Yesterday [redacted] early edition [redacted] a conventional advertisement for Qantas, which by [redacted] final [redacted] had been replaced by [redacted] "reader [redacted]" advertising a two-night stay and "gastronomic dining" [redacted] a [redacted] hotel, [redacted] Tilques.

On [redacted] same page was a large feature on Tory [redacted] David Ashby, [redacted] sharing [redacted] same château with a [redacted] friend. Stewart Steven, the paper's editor, says the juxtaposition was "not entirely coincidental. Our readers [redacted] about this wonderful hotel where our MPs [redacted] and they can now sample it themselves".

Consumer Zen

■ [redacted] up all [redacted] who thought [redacted] was just as nasty, brutish and short as [redacted] You were wrong, at [redacted] according [redacted] Dentsu, [redacted] Japanese advertising giant.

It says the "keyword" [redacted] was actually "taking care" – though surely that's [redacted] Anyway, Dentsu's gurus reckon that [redacted] Japanese getting and spending was dominated by "being [redacted] with yourself and your world, not being self-centred".

The taking [redacted] meant greater concern for "nurturing your body", "unwinding", "cultivating bonds" (the personal as opposed [redacted] financial sort), "discovering connections" [redacted] going for "quality at home" [redacted] "convenience close [redacted] hand".

Dentsu's reasoning in [redacted] instance is [redacted] upon [redacted] list of [redacted] types of "hit product" which went [redacted] well in Japan in [redacted] don't hold your breath; the list is a [redacted] disappointing collection, including mineral water, dental mouthwash, carrot drinks, fashion sportswear, beer, deodorants, [redacted] anything [redacted] with Jurassic Park.

[redacted] that [redacted] the other hits [redacted] "power stones" [redacted] leather [redacted] – [redacted] worn as lucky charms – [redacted] seem to have spent [redacted] least some of their time, as usual, in taking [redacted] ripped off.

Smorgasbite

■ [redacted] Westerberg, of investment bankers Maizels, Westerberg in Stockholm, reports his computer's spell-check has trouble coping with the name [redacted] Sweden's redoubtable finance minister, Anne Wibble; the machine [redacted] on proposing Wobble [redacted] Nibble. He thinks the latter rather apt; this week's budget [redacted] teensy bite out of [redacted] deficit via spending cuts.

FINANCIAL TIMES
Wednesday January 12 1994

Environment is top of Clinton's trade agenda

By [illegible] Barber in Brussels

President Bill Clinton yesterday put environmental protection, antitrust regulations [illegible] labour standards [illegible] the top of the agenda for future world trade negotiations.

His stand drew applause from [illegible] European Commission in Brussels, where Mr Clinton held talks on the third day of his maiden presidential trip [illegible] Europe.

Mr Jacques Delors, Commission president, followed up with [illegible] plea to Mr Clinton [illegible] support a global campaign for [illegible] carbon tax. Officials said the aim was to curb energy consumption and [illegible] tax [illegible] to make labour cheaper in Europe.

The need to create jobs [illegible] the principal theme of [illegible] meeting at the Commission. Mr Andreas Papandreou, prime minister of Greece, which [illegible] the rotating presidency of the European Union, [illegible] also present.

All [illegible] described [illegible] talks as "friendly and constructive", dispelling tensions caused last year [illegible] trade and policy toward [illegible]nia.

[illegible] Clinton emphasised that the advanced economies of the US, Europe and Japan had "common maladies", [illegible] could learn much [illegible] other on how [illegible] tackle unemployment and pro[illegible] economic growth.

He looked forward to a further exchange of [illegible] "jobs summit" this spring under the [illegible]pices [illegible] the Group of Seven [illegible] countries.

At a news conference, Mr Clin[illegible] drew a comparison with the approach pursued by [illegible] administration in tacking [illegible] new [illegible] the North American Free Trade Agreement [illegible] Mexico approved by Congress last year.

"As [illegible] bring others into the orbit of global trade ... we must ensure that their policies [illegible] the [illegible] of their workers [illegible] our [illegible] interest in enhancing environmental protection throughout [illegible] globe." [illegible] "With regard [illegible] the environment, I believe [illegible] dealing with [illegible] environment [illegible] jobs; [illegible] not [illegible] jobs if you do it [illegible] the right way. I think [illegible] have about [illegible] years of evidence that supports that."

The president's new [illegible] priorities will encourage France, where Mr Edouard Balladur, prime minister, recently called for the EU to push for protection against unfair foreign competition based on lower [illegible] currency [illegible] and environmental standards.

But it [illegible] disappoint critics at home [illegible] emphasis on dismantling barriers [illegible] foreign investment and greater mar[illegible] access in Europe.

[illegible] subjects [illegible] covered [illegible] separate [illegible] between the Com[illegible] and Mr Mickey Kantor, [illegible] representative. [illegible] emphasised that it would not be easy to reach a deal [illegible] full liberalisation of public procurement contracts by the target [illegible] of April 15.

The EU [illegible] it will withhold full liberalisation of telecommunications [illegible] until [illegible] question of contracts below federal level in [illegible] US [illegible] resolved.

During the [illegible] yesterday, the EU [illegible] a [illegible] front [illegible] pressure Japan [illegible]

[illegible] moves closer [illegible] Bosnian [illegible] strikes, Page 2

Germany's chemicals sector takes real pay cut

By Christopher [illegible] in Frankfurt

[illegible] German chemicals workers yesterday accepted real [illegible] cuts in return for more job [illegible]rity. The late-night agreement [illegible] cent [illegible] reinforced hopes [illegible] settlements in other industries which would [illegible] downward pressure [illegible] inflation and short-term [illegible] rates.

The 15-month [illegible] equivalent [illegible] an annual [illegible] 1.5 per cent compared with expected average inflation of around 3 [illegible] cent, economists said.

It [illegible] with [illegible] of [illegible] which [illegible] in [illegible] and in need [illegible] recovery.

[illegible] product showed [illegible] growth in the final quarter of last year [illegible] was 0.7 per cent lower than in the comparable part [illegible] 1993, according [illegible] provisional figures from [illegible] federal [illegible]. [illegible] recessive trend had [illegible] but [illegible] not yet possible to divine when [illegible] would [illegible] improve, [illegible]

However, Mr [illegible] Rexrodt, economics minister, [illegible] 1.3 per [illegible] drop in pan-German [illegible] for [illegible] full year, reported on Monday, concealed a slight recovery which had [illegible] the sharp collapse in [illegible] first quarter.

Mr Richard Reid, [illegible] Union Bank of Switzerland in Frankfurt, [illegible] the [illegible] workers' pay [illegible] set [illegible] pattern for [illegible] industries it was "extremely good news". There [illegible] good chance of [illegible] if inflation and money supply growth showed signs of slowing, [illegible]

[illegible] independent economists agree that the key discount rate, currently [illegible] per cent, will be down to [illegible] per cent by the end of [illegible]. Two [illegible] Germany's [illegible] last [illegible] the bank to cut [illegible]

The chemicals [illegible] a [illegible] contract, backdated [illegible]. [illegible] 2 [illegible] cent [illegible] will [illegible] effect next month. Other elements [illegible] employers can [illegible] long-term unemployed [illegible] at [illegible] per [illegible] pay [illegible] and shorten working [illegible] according [illegible] market needs.

[illegible] provisional [illegible] data showed [illegible] the steepest slump [illegible] Germany since [illegible] was marked by a 14.7 [illegible] drop [illegible] spending on plant and equipment. Public consumption in the region fell [illegible] per cent, [illegible] private consumption, equivalent [illegible] 50 per [illegible] GDP, stagnated. Exports fell 7.3 per cent and imports [illegible] down [illegible]

In the east, [illegible] GDP rose [illegible] 9.7 per cent in 1992, capital [illegible] rose 15 per [illegible] while spending on con[illegible] 21 [illegible]

Numbers employed in [illegible] whole of the country fell almost [illegible]

THE LEX COLUMN

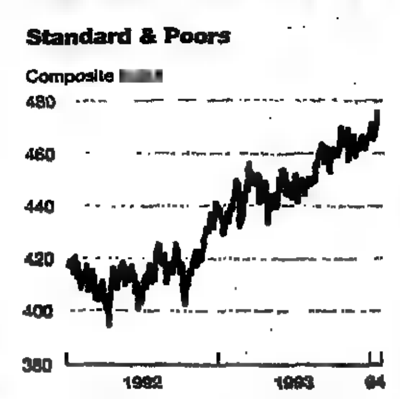
Just the ticket

Eurotunnel has good [illegible] for setting [illegible] prices at the higher end of expectations. Due to the late arrival of rolling stock, its trains will run at only half the specified length during the early months of operation. With capacity thus constrained – and the razzmatazz surrounding the official opening bound to drum up business – Le Shuttle is unlikely to be starved of passengers this summer. Once the novelty [illegible] off and capacity is increased [illegible] the planned level, though, special discounts and promotions will start [illegible] creep in. That will put downward pressure [illegible] passenger yields even if the pricing structure announced yesterday [illegible] kept in place.

Whether yields will fall in real [illegible] thereafter remains unanswered. The ferry operators have no incentive [illegible] price war with Eurotunnel, partly because fares on the Dover [illegible] route determine [illegible] prices they can charge elsewhere. Driving Eurotunnel [illegible] business would simply [illegible] that [illegible] would operate the tunnel, presumably without the burden of massive interest payments. [illegible] operator would then [illegible] set prices [illegible] a level [illegible] ferries simply could not match.

Eurotunnel's high fixed [illegible] will be [illegible] strong incentive for it [illegible] run at full capacity, [illegible] that [illegible] being flexible [illegible] prices. [illegible] without a clearer picture of demand for [illegible] Shuttle's services, [illegible] future path of pricing [illegible] impossible to predict. The [illegible] in Eurotunnel's rights issue document, expected before [illegible] services [illegible] in May, [illegible] make [illegible] interesting reading.

FT-SE [illegible] 2604.8 [illegible]



Source: Datastream

Granada/LWT

Even though Granada's predatory intentions [illegible] well flagged, LWT appeared wrong-footed when hostili[illegible] erupted. [illegible] Yorkshire-Tyne Tees flirtation proved [illegible] unwelcome diversion. But LWT [illegible] now wisely reverted [illegible] emphasising its fine trading record. Yesterday's forecast of [illegible] per cent increase [illegible] 1993 profits enhances its management's reputation and bolsters the case for independence. Yet LWT's [illegible] will be little swayed by sentiment. The bid still revolves [illegible] price.

The prospects for an independent LWT are undoubtedly attractive. But they do [illegible] sufficiently racy to justify LWT's current rating in the [illegible] Independent forecast[illegible] not expect much of [illegible] bounce in television advertising [illegible]. [illegible] is also diminishing scope for LWT to cut costs now it has boosted its trading margin [illegible] 28.2 per cent. It is tempting to believe media [illegible] if [illegible] industry liberalisation follows. Then again, comparable [illegible] broadcasting stocks [illegible] higher ratings despite their deregulated market.

If LWT's management [illegible] convinced Granada's [illegible] cheap, they [illegible] always [illegible] a higher [illegible] themselves. The management already [illegible] 10 [illegible] cent [illegible] shares. [illegible] currently cheap to borrow. Granted, not [illegible] many UK [illegible] likely [illegible] lend money [illegible] a leveraged buy-out boasting so few tangible [illegible] capitalists would better appreciate [illegible] attractions of LWT's cash stream; especially [illegible] LWT [illegible] equity injection [illegible] industry partner.

US economy

Several [illegible] highs [illegible] Wall [illegible] in recent days support the idea that the long uptrend in equities [illegible] still [illegible]. Still, [illegible] in [illegible] rather [illegible] behind in 1993, when [illegible] S&P composite index rose by only 7.1 [illegible]. Other markets where interest rates [illegible] falling, or growth was strong, [illegible] much [illegible] the US recovery is gathering pace, [illegible] output [illegible] is being [illegible] the [illegible] of higher [illegible] rates [illegible]

The potential [illegible] liquidity [illegible] out [illegible] shares and back into cash is the [illegible] threat [illegible] rising [illegible] fund flows of individu[illegible] savings [illegible] offset the heavy supply [illegible] past two [illegible] as companies [illegible] the leveraged buy-outs [illegible]. Recently, however, there have [illegible] signs that the new issue market is beginning to weaken. American individuals also now hold the highest proportion [illegible] their financial assets [illegible] equities since [illegible] While the secular [illegible] towards lower inflation may have changed the basis for asset allocation, [illegible] signs of [illegible] maturing bull market. Besides, if rising soft commodity prices are [illegible] guide, it [illegible] early to declare inflation [illegible]

Further [illegible] in equities will have to be driven by strong earnings increases, particularly if modestly higher inflation and bond yields reduce [illegible] rating of equities. Higher earnings are in prospect, but with export [illegible] still weak and US markets fiercely competitive, [illegible] potential [illegible] pleasant surprises, and thus strong performance, [illegible] strictly limited.

Geest

[illegible] there [illegible] surplus [illegible] skins as well [illegible] bananas. [illegible] only [illegible] Geest been hit by a severe outbreak of black siratoga fungus in its [illegible] Rican plantations, [illegible] suffering grievously from [illegible] in the form [illegible] those seemingly well-meaning [illegible] in [illegible] European [illegible]. [illegible] only arranged [illegible] year's European banana market [illegible] in such [illegible] as [illegible] cause [illegible] glut of [illegible] in [illegible] final quarter, undermining [illegible] profitability [illegible] cosy arrangements with [illegible] They also had the temerity to compound [illegible] over-supply by offering to increase the quotas of Latin [illegible] in order [illegible] a [illegible] deal [illegible]

Sadly, Geest [illegible] kind of public furore which has French farmers burning [illegible]. Liberalisation [illegible] imports [illegible] generally [illegible] for UK con[illegible] anyway. But yesterday's prof[illegible] warning [illegible] the question of whether [illegible] could have handled [illegible] admittedly difficult situation better. Its large investment in Costa Rica [illegible] its [illegible] compared with Fyffes, which is importing from [illegible] Guatemala and [illegible]

Fyffes' [illegible] black siratoga [illegible] relatively [illegible] and [illegible] shop around more easily for export licences if these are required [illegible] deal. It does [illegible] help [illegible] case that this is its third profits warning in [illegible] months.

Eurotunnel sets premium fares

By [illegible] Batchelor, Transport Correspondent, in [illegible]

The shares of Eurotunnel, [illegible] company which will run [illegible] through [illegible] Channel tunnel, fell sharply yesterday after it announced higher than expected fares for its passenger car shuttle service.

The fare for taking a car with driver and passengers through [illegible] tunnel would range from a low of £125 ($185) for [illegible] special two day return to a high [illegible] for journeys at peak midsummer weekends. Cross channel fares are considerably higher than [illegible] other short-sea routes around [illegible] world.

The ferry companies, which [illegible] fearing [illegible] a price cutting [illegible] Dover-Calais route, responded favourably to [illegible] "The [illegible] the premium they are asking surprises [illegible] us," [illegible] Stena [illegible] "If they are looking [illegible] building volumes they will have [illegible] attractive prices than this."

The higher than expected fares prompted fears that Eurotunnel [illegible] not [illegible] sufficient busi[illegible] to [illegible] and [illegible]nue projections. Its [illegible] 17p lower [illegible] 608p while rival ferry company [illegible] lower [illegible]

Sales [illegible] shuttle tickets, which [illegible] today, [illegible] be backed with [illegible] £25m pan-European marketing campaign. Eurotunnel [illegible] introduced four fare bands for low, high and mid-season with a peak [illegible] for mid-summer weekends.

Travellers using the service will drive [illegible] into air-conditioned wagons at Folkestone and remain with their [illegible] for the 35 minute journey through the tunnel [illegible] Calais. The [illegible] motorway [illegible] motorway time is one hour, Eurotunnel said.

Shuttle journeys start [illegible] May [illegible] while through rail travel from London [illegible] and Brussels for [illegible] without cars will begin in June or July.

Shuttle [illegible], Page 7
Editorial [illegible], Page 13
See Lex

Maxwell funds get £27m boost

Continued [illegible] 1

[illegible] pension schemes] and not to any other party, we [illegible] very pleased [illegible] make [illegible] move."

Meanwhile, [illegible] Peter Webster, appointed as [illegible] government mediator [illegible] seek a "global solution" [illegible] myriad claims by the pension schemes against banks, insurance companies and advisers, is [illegible] to be making [illegible]

Mr Frank Field, chairman of the Parliamentary Select Committee on Social Security, which [illegible] held extensive hearings on [illegible] pension scandal and the efforts to [illegible] pension assets, said the recent refunds [illegible] good sign. "I welcome [illegible] two settlements [illegible] have [illegible] and I hope [illegible] it will be followed by [illegible] substantial settlements quickly," [illegible] said.

Dublin to scrap Sinn Féin broadcasting ban

By Tim Coone in Dublin and David Owen in London

The Irish government is to lift its broadcasting ban [illegible] Sinn Féin from January 19, when the present banning order expires, allowing [illegible] the political wing [illegible] the [illegible] be interviewed on Irish TV [illegible] for the [illegible] time in [illegible] two decades.

Downing Street responded coolly [illegible] the move, saying it "noted" [illegible] decision which was [illegible] matter entirely [illegible] Irish government. [illegible] said [illegible] ongoing review of Britain's broadcasting [illegible] on [illegible] Féin would [illegible] completed for "some weeks".

Explaining Dublin's decision, Mr [illegible] D. Higgins, minister for broadcasting, [illegible] ban "an appallingly blunt instrument... which [illegible] broadcasters' discretion and authority". [illegible] said [illegible] the [illegible] would [illegible] the independent broadcasting authorities to prevent views being aired which would incite crime or violence, and which could be sanctioned under other provisions [illegible] Republic's broadcasting legislation or criminal legislation.

"The Irish people abhor violence and [illegible] support vio[illegible] should be submitted [illegible] critical questioning like everyone else. Cloaking them [illegible] against the public interest," Mr [illegible] said.

He said a review of [illegible] ban had been under way for [illegible] a year, before the present Anglo-Irish peace initiative.

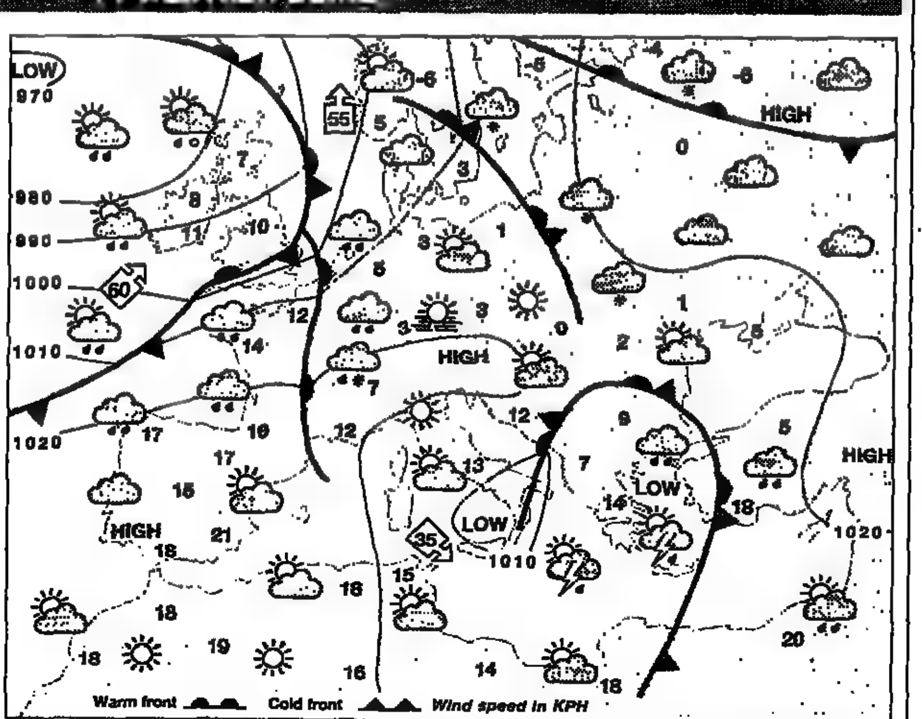
FT WEATHER GUIDE

Europe today

Low pressure north-west of [illegible] will [illegible] wind [illegible] rain in [illegible] UK, Benelux, north-west France and, later, in Denmark. In coastal districts, south-westerly [illegible] will increase [illegible] gale force. [illegible] Norway will [illegible] The [illegible] will stay dry and frosty. Meanwhile, wintry [illegible] will [illegible] to move [illegible] Central Europe will [illegible] mainly dry with [illegible] sun, but it will gradually [illegible] cloudy, especially in Germany, [illegible] France and the Alps. Southern Italy will see a few [illegible] frequent showers, sometimes with thunder, [illegible] expected in Greece.

Five-day forecast

In [illegible] Europe, [illegible] sun will return and [illegible] will diminish. In [illegible] Europe, [illegible] rain and snow in the mountains will [illegible] south-east Spain [illegible] Italy. [illegible] will stay dry [illegible] sunny periods. In north-west Europe, it will [illegible] with [illegible] and showers. [illegible] will become more wintry during [illegible] as temperatures gradually drop.



Situation at 12 GMT. Temperatures maximum for day. Forecasts by Meteo Consult of the Netherlands

TODAY'S TEMPERATURES

		Maximum Celsius
Abu Dhabi	sun	24
Accra	fair	33
Algiers	fair	18
Amsterdam	rain	7
Athens	shower	15
B. Aires	sun	30
B.ham	rain	11
Bangkok	fair	34
Barcelona	sun	17
Beijing	cloudy	0
Belfast	rain	8
Belgrade	cloudy	2
Berlin	fair	4
Bermuda	cloudy	20
Bogota	cloudy	19
Bombay	fair	34
Brussels	rain	8
Budapest	sun	3
C.hagen	shower	3
Cairo	fair	20
Cape Town	fair	24
Caracas	cloudy	28
Cardiff	windy	11
Chicago	cloudy	0
Cologne	cloudy	6
D' Salaam	fair	29
Dakar	fair	24
Dallas	fair	15
Delhi	cloudy	22
Dubai	sun	24
Dublin	shower	10
Dubrovnik	shower	12
Edinburgh	rain	8
Faro	sun	18
Frankfurt	fair	5
Geneva	fair	1
Gibraltar	sun	18
Glasgow	shower	8
Hamburg	fair	5
Helsinki	cloudy	-5
Hong Kong	cloudy	22
Honolulu	fair	26
Istanbul	shower	14
Jersey	windy	12
Karachi	shower	27
Kuwait	sun	20
L. Angeles	sun	22
Las Palmas	sun	20
Lima	fair	25
Lisbon	fair	15
London	rain	12
Lux.bourg	cloudy	4
Lyon	hazy	1
Madeira	fair	18
Madrid	fair	15
Majorca	sun	17
Malta	shower	14
Manchester	rain	10
Manila	cloudy	32
Melbourne	fair	23
Mexico City	fair	19
Miami	fair	25
Milan	fair	7
Montreal	fair	-7
Moscow	cloudy	-6
Munich	hazy	4
Nairobi	fair	27
Naples	fair	13
Nassau	fair	24
New York	shower	3
Nice	fair	12
Nicosia	fair	18
Oslo	snow	-3
Paris	cloudy	10
Perth	fair	29
Prague	fair	4
Rangoon	fair	32
Reykjavik	windy	4
Rio	fair	27
Riyadh	fair	22
Rome	sun	14
S. Frsco	fair	17
Seoul	cloudy	6
Singapore	cloudy	27
Stockholm	cloudy	0
Strasbourg	fair	4
Sydney	fair	27
Tangier	sun	18
Tel Aviv	fair	20
Tokyo	shower	11
Toronto	shower	-3
Tunis	shower	[illegible]
Vancouver	shower	7
Venice	sun	7
Vienna	sun	6
Warsaw	fair	1
Washington	shower	6
Wellington	fair	22
Winnipeg	sun	-1[illegible]
Zurich	fog	[illegible]

FINANCIAL TIMES
COMPANIES & MARKETS
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IN BRIEF

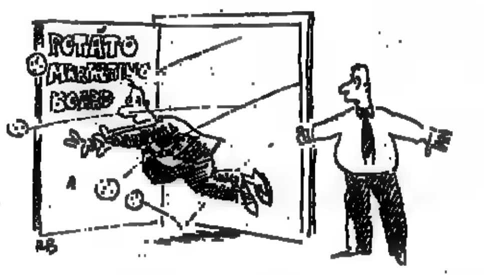
Crédit Agricole stands still

Crédit Agricole, the network of agricultural co-operative banks which is one of the largest forces in French banking, expects to report static net profits for 1993. Page 16

Oracle out in front
Oracle, the US computer software company, is emerging as a leader in software for interactive television services. Today it plans to announce an alliance with Bell Atlantic. Page 17

CBOT to boycott Globex talks
The Chicago Board of Trade, in an apparent escalation of its dispute with Reuters, the UK-based information company, plans to stay away from talks this week on the future of Globex, the electronic futures trading system developed by the *Chicago Mercantile Exchange*, the CBOT and Reuters. Page 18

Potato farmers in revolt



Britain's Potato Marketing Board faces a farmers' revolt. They want its marketing scheme wound up immediately, rather than waiting for abolition by the government in 1997. Some are angry at government proposals for a slimmed-down role for the next three years. Page 22

Stakis confirms recovery at £10m
Stakis, the hotels and casinos group, confirmed its recovery in 1993 by making pre-tax profits of £10.4m ($15m) against a loss last time. Mr David Michels, chief executive, said the group was now "a normal company, boring even". Page 20

Howden brings cheer
Shares [illegible] Howden Group rose 11p to 96p yesterday after the Glasgow-based engineering company said [illegible] had successfully integrated two large fan companies bought last year in an attempt to diversify from large-scale contracting work. Page 20

Steve Jobs lines up with Elonex
Elonex, the UK personal computer manufacturer, has formed a strategic alliance with Next, the US software company led by Mr Steven Jobs, founder of Apple Computer. Page 20

Watson & Philip shifts from its roots
Watson & Philip, the retail and wholesale food group, plans a further move away from its wholesaling roots. [illegible]

Geest [illegible]
Geest shares fell sharply yesterday after [illegible] warned that an attack of a fungal disease [illegible] its banana plantations in Costa Rica would push it into the red for 1993. Page 21

GrandMet wins vodka deal
International Distillers [illegible] Vintners, [illegible] Metropolitan's drinks division, has secured exclusive distribution rights for Stolichnaya Russian vodka in the [illegible] and Mexico from PepsiCo. Page 21

Barry Riley is away

Chief price changes yesterday

FRANKFURT (DM)

Rises			
Heideib Zem	1340	+	50
Metallgesell	236	+	16
Porsche	825	+	25
Schering	1170	+	40
Falls			
Berliner Bank	564	–	15
Goldschmidt TH	855	–	15

NEW YORK ($)

Rises			
Chrysler	59¼	+	1½
Coastal Corp	21⅞	+	1⅛
E-Systems	43⅞	+	2⅞
Ford	69⅞	+	1⅞
Falls			
Amsco Intl	10⅝	–	1⅛
Carolina Frght	11⅞	–	1⅛

PARIS (FFr)

Rises			
[illegible]	650	+	38
BSF	929	+	39
Imm de France	1315	+	55
Radoute	1120	+	[illegible]
Simco	700	+	51
Falls			
YAI	625	–	36

TOKYO (Yen)

Rises			
[illegible]	393	+	[illegible]
Isuzu Motors	423	+	26
[illegible] Br	1380	+	130
Mitsui Sugar	[illegible]	+	54
Shin Yei Steam	184	+	24
Falls			
Nihon Seiko	710	–	65

New York prices at 12.30pm.

LONDON (Pence)

Rises			
Ashley (Laura)	85	+	7
Bejthain	99	+	8
Burst	181	+	7
Cary's Milling	186	+	11
Coal-Inve	55	+	10
Court Cavendish	250	+	18
Debenhm Tewsn	142	+	8
Hillsdown	178	+	7
Howden	96	+	11
Inspirations	125	+	16
Inveresk	199	+	16
Owen Res	34	+	7
Sthn Business	84	+	5
Sterling Publ	188	+	11
Trust	202	+	[illegible]
VHE	[illegible]	+	11
Watson Philip	343	+	[illegible]
Yorks-Tyne TV	198	+	7
Falls			
Dart	164	–	14
Geest	278	–	87
Hepworth	462	–	19
Magellan Inds	168	–	44
Tiphook	[illegible]	–	6
Wood (JD)	93	–	5

Czech attempt to regain airline control

By Patrick Blum in Prague and Paul Betts in London

[illegible] Czech government [illegible] pressure on Air France [illegible] its minority [illegible] in CSA to regain control of [illegible] cash-strapped Czech national carrier.

Czech government sources yesterday said that financial institutions and two other airlines had [illegible] in CSA, while in a separate [illegible] were [illegible] buying Air [illegible] stake.

CSA said a letter had been sent to Air France last Saturday asking the French carrier to sell its stake to Czech subjects.

But Air France, which jointly with the Caisse des Dépôts, the French state financial institution, paid $30m for almost 20 per cent of CSA in 1992, yesterday insisted it wanted [illegible] remain [illegible] shareholder. It regarded [illegible] as a long-term [illegible].

Although [illegible] Czech government has made it clear it consid[illegible] the withdrawal [illegible] Air France from [illegible] as [illegible] preferred solu[illegible] Czech airline, negoti[illegible] with the French company and [illegible] European Bank [illegible] Reconstruction [illegible] Development [illegible] nearly [illegible] in CSA, [illegible] continuing this [illegible].

[illegible] trial of strength between the [illegible] Czech demands [illegible] control [illegible] the airline's board, which Air [illegible] is resisting.

The Czech government is [illegible] to modify the [illegible] 1992 agreement with [illegible] foreign partners, especially the rule [illegible] majority [illegible] for decisions at [illegible] Czech government [illegible] majority [illegible] on the board, important decisions also require the vote of the foreign partners.

Air [illegible] and EBRD [illegible] a refund from the Czech [illegible] because they claim the airline was over-valued by about Kcs746m [illegible] time [illegible] deal two years ago.

Glasnost thaws, [illegible] 16

■ Dividend halved ■ Jobs cut by 6,000 ■ Charges of $750m

Westinghouse restructures

By Richard Waters in New York

Westinghouse, the stricken US conglomerate, announced wide-ranging charges [illegible] lay-offs in an attempt [illegible] put behind it a disastrous foray into financial services during the 1980s.

The [illegible] surprised [illegible] market [illegible] severity [illegible] which include pre-[illegible] charges totalling $750m, a planned cut of 6,000 in [illegible] work[illegible] two [illegible] a halving [illegible] its [illegible].

It [illegible] announced plans [illegible] new capital in [illegible] first half of this year to bolster [illegible] balance [illegible].

Yesterday's [illegible] was [illegible] first [illegible] prom-ised by Mr Michael Jordan, the former senior PepsiCo director [illegible] brought in six months [illegible] to revive the ailing group.

Westinghouse, whose biggest businesses [illegible] tion, broadcasting [illegible] defence, suffered [illegible] put at more than [illegible] after ploughing [illegible] into building junk bond and [illegible] cial property operations in the [illegible].

Contributing to [illegible] charges announced yesterday was $350m [illegible] restructuring costs and the lay-off of [illegible].

The remaining jobs will [illegible] through attrition, taking [illegible] world-wide headcount down to around 48,000, Westinghouse said.

Also, restructuring and write-downs [illegible] businesses which the company plans [illegible] sell will [illegible] $215m, and it [illegible] put [illegible] $185m [illegible] settlement of legal disputes and environmental clean-up [illegible].

Westinghouse also adopted a [illegible] conservative approach [illegible] accounting for pension liabilities, wiping [illegible] further $255m off its shrunken capital [illegible].

This [illegible] prompted the [illegible] pany to plan an issue of $500m of preference shares, which will [illegible] converted into ordinary [illegible] some time in [illegible].

Referring [illegible] headway Westinghouse [illegible] made in disposing of [illegible] past [illegible], Mr [illegible] said: "[illegible] are essentially out of [illegible] financial services business." He added that the group's debt [illegible] fallen by [illegible] during [illegible] an [illegible] $5.2bn [illegible] end of [illegible] year.

His actions [illegible] cautiously welcomed by analysts, who [illegible] Mr Jones had yet [illegible] set out his plans for the future.

"The announcement [illegible] not [illegible] on-going [illegible] and [illegible] scale of [illegible] savings," [illegible] Mr Russell Leavitt, [illegible] analyst with Salomon Brothers.

Mr Jones was due to [illegible] analysts for the first time yesterday [illegible] York [illegible] spell out his plans for [illegible].

'Banesto's situation did not require any emergency action'

Conde stands by rescue plan drawn up by J.P. Morgan

By Tom Burns in Madrid

Reuter

Mario Conde: 'J.P. Morgan... estimated that our [illegible] balance [illegible] sensible and [illegible]'

Mr [illegible] Conde, the former president [illegible] Banesto, [illegible] troubled Spanish bank, yesterday [illegible] Spanish [illegible] imposing [illegible] management on [illegible] bank, and claimed he [illegible] restoring it [illegible].

[illegible] his first public [illegible] since he was [illegible] ago, Mr [illegible] press [illegible] believed [illegible] rescue plan [illegible] had presented [illegible] of Spain days before [illegible] intervention would have been successful. [illegible] still [illegible] plan developed with [illegible] J.P. Morgan, [illegible] bank, "was [illegible] best solution [illegible] Banesto, for its shareholders, [illegible] for the [illegible] financial sector".

But Mr [illegible] said he [illegible] not intend to take legal [illegible] against the authorities. He would merely [illegible] routine appeal [illegible] the intervention. He had [illegible] against legal [illegible] he wanted [illegible] respect the image of [illegible] and of [illegible] banking supervisors.

"[illegible] situation on [illegible]ber 28 did not require any emergency action, particularly from the point of view of its liquidity and its solvency," Mr Conde said. He added that the bank did not require any [illegible] equity [illegible] the [illegible] that he had pres[illegible] to [illegible] authorities.

The intervention followed an inspection by [illegible] Bank [illegible] Spain which identified [illegible] potential Pta503bn ($3.5bn) over-valuation [illegible] its Pta7,000bn [illegible] and J.P. Morgan estimated the over-valuation at Pta372bn.

Mr Conde [illegible] in [illegible] by the Bank [illegible] that [illegible] loan portfolio was over-valued by [illegible] and J.P. Morgan [illegible] loan over-valuation at [illegible].

Mr Conde [illegible] the loans had [illegible] examined and were in the process of being provisioned for. "Our plan was exhaustively analysed by J.P. Morgan which estimated [illegible] our projected balance [illegible] and [illegible]sonable," he said.

Mr [illegible] rejected outright the Bank of Spain's [illegible] Pta66bn pension fund shortfall [illegible] an earlier inspection by the [illegible] of Spain in December [illegible] put the shortfall [illegible] it had given [illegible] to make provisions for it.

He also [illegible] a Pta81bn over-valuation [illegible] by [illegible] inspectors last September for [illegible] industrial holding company was unwarranted as [illegible] no legal [illegible] accounting rules [illegible] called on the bank [illegible] provide for such assets.

Background, [illegible] 16

Tiphook agrees container arm sale

By Andrew Bolger in London

Tiphook, the debt-laden UK transport leasing group, [illegible] agreed to sell its container business for [illegible] maximum [illegible] ($1.12bn) – [illegible] the [illegible] price it agreed in November with the buyer, Transamerica, the US [illegible].

The proceeds [illegible] further reduced by between £38m and £48m, which will be placed in an [illegible] and be subject [illegible] further claims by Transamerica under the disposal agreement.

This [illegible] that Tiphook should receive [illegible] minimum of £709m [illegible] the container business, the group's largest asset. Although significantly [illegible] than initially announced, [illegible] consideration [illegible] still above [illegible] market expectations and should [illegible] tially [illegible] Tiphook's debts of [illegible] £1.1bn. Tiphook's [illegible] last night [illegible] down at 66p.

Tiphook [illegible] that the [illegible] being negotiated and [illegible] be finalised "as [illegible] possible". However, [illegible] said it [illegible] confident that "[illegible] final price".

The proceeds will [illegible] enough [illegible] pay [illegible] Tiphook's total secured debt [illegible] group's banks, which [illegible] led by [illegible] Commerzbank [illegible] Germany. However, [illegible] US bondholders, who [illegible] Tiphook [illegible] are in [illegible] more exposed position. The [illegible] bonds were [illegible] night trading [illegible] just over [illegible] 10 per cent [illegible] face value.

[illegible] experts believe Tiphook could still [illegible] by litigation [illegible] bondholders, claiming to [illegible] misled [illegible] about [illegible] company's prospects. Tiphook's debt [illegible] downgraded to [illegible] junk-bond [illegible] months [illegible] issue last [illegible].

Tiphook [illegible] it [illegible] its remaining debt by [illegible] the group's [illegible] – including [illegible] fleet [illegible] trailers, the [illegible] in Europe.

[illegible] group said [illegible] on the containers disposal, which must be approved by shareholders and certain providers [illegible] finance, would be [illegible] out as soon as practicable. [illegible] the six months to October 31 will be announced then.

The results are likely [illegible] poor. Tiphook yesterday empha[illegible] that [illegible] experiencing [illegible] on margins in [illegible] markets, although December's monthly fleet utilisation figures [illegible].

Chairman Brian Moffat tells **Andrew Baxter** that the issue of state subsidies is not yet dead

British Steel doubts mettle of Brussels deal

Judging by the [illegible] mol[illegible] rhetoric flowing from [illegible] headquarters in London this week, Mr Brian Moffat ought to add the title of blast [illegible] No.1 [illegible] chairman [illegible] chief [illegible].

It [illegible] nearly [illegible] European Union industry minis[illegible] agreed a package [illegible] aimed [illegible] resolving disputes [illegible] for state-owned steelmakers in Germany, Italy and Spain, [illegible] Mr [illegible] still disappointed and concerned.

"[illegible] strong [illegible] in the [illegible] subsidies. [illegible] ensure [illegible] mean something," [illegible].

Disagreements over continuing [illegible] aid could delay or even put paid to [illegible] capacity [illegible] he warns, and slow the [illegible] in prices in [illegible] Europe. [illegible] the planned privatisation [illegible] Ilva, the loss-making Italian producer, he [illegible] it will [illegible] a privatisation "the [illegible] you and I know it, [illegible] will it be an [illegible]".

Mr Moffat [illegible] right [illegible] about the [illegible] deal, which will lead to 5m tonnes of capacity [illegible] by subsidised producers. The deal was [illegible] the way [illegible] non-aided companies [illegible] capacity cuts totalling 25m tonnes, making a total of 30m, although many in the industry say the real cuts will [illegible] 20m tonnes, about [illegible] eighth [illegible] capacity. This, in turn, would underpin the industry's ability to [illegible] prices and return [illegible] profit. Europe's steelmakers [illegible] $4.5bn in 1992, and probably more last year.

"The key question [illegible] British [illegible] whether they believe, and are right [illegible] believe, that [illegible] subsidy [illegible] is over," [illegible] Mr Jer[illegible] Fletcher, an independent steel consultant.

Already there are [illegible] signs [illegible] subsidy issue is [illegible] dead, even if [illegible] cases [illegible] in [illegible] do finally prove to [illegible] been [illegible]. Mr [illegible] is particularly upset about a plan backed by the city state of [illegible] which would rescue [illegible] steel mill. He [illegible] to [illegible] the way [illegible] a rival deal in [illegible] Bremen's hot-rolled capacity would [illegible] shut down.

The [illegible] is important [illegible] products producers [illegible] and are unlikely [illegible] capacity [illegible] if [illegible] city consortium's [illegible] goes [illegible].

But Mr Moffat [illegible] he is not desperate. British [illegible] lowest cost producer in Europe, [illegible] and will [illegible] cutting [illegible] remorselessly [illegible] maintain its [illegible] – although [illegible] efficiency drive has [illegible] from [illegible] to operational factors.

'Will the Ilva sale turn out to be an Italian farce?'

It [illegible] the [illegible] European producers [illegible] trading profitably – it had pre-tax profits [illegible] in [illegible] half of 1993/4. It also "calls [illegible] tune" in [illegible] home market, with [illegible] of about [illegible] per cent, which Mr Moffat sees [illegible] significant advantage over German producers [illegible] patch [illegible] often [illegible] "battleground" between rivals.

Mr Philip Hampton, finance director, [illegible] "It's not a terminal [illegible] even if [illegible] problem of continuing [illegible] settled, provided you [illegible] advantage, which we happen [illegible] British Steel, and provided you are not faced with [illegible] big capital investment, which [illegible] do not [illegible] for a number of years."

British Steel may [illegible] to [illegible] strengths [illegible] weather any short-term [illegible] caused by fall-out from [illegible] Brussels deal, and take advantage [illegible] the long-term implications. Continental steel prices are rising, giving hope [illegible] of the [illegible]sion is over. But producers' reluctance [illegible] make capacity cuts could slow this, [illegible] Mr [illegible].

Analysts [illegible] as Mr [illegible] British Steel could [illegible] stronger competition in [illegible] UK, where [illegible] demand [illegible] picking up [illegible] than the Continent. "Once [illegible] tunnel is open, [illegible] no [illegible] Usinor-Sacilor will [illegible] flex [illegible] muscles in the UK," he says of [illegible] French producer.

Mr [illegible] concerned, though, about any increase in imports from [illegible] and [illegible] Europe, [illegible] subject [illegible] a "gentlemen's agreement" which took much [illegible] the [illegible] out [illegible] a trade dispute early last year. "If I was [illegible] of [illegible] players [illegible] subsidies blatantly continuing in Europe, why should I [illegible] sible?" [illegible] says.

Overall, it will [illegible] difficult to make good [illegible] from [illegible] in Europe, says Mr Hampton. Returns will [illegible] "pretty dependent on south-east Asian, Chinese and other export markets".

[illegible] pledged [illegible] revenue, which [illegible] cutting costs, increasing sales or both. "Europe will always [illegible] a priority," he [illegible] "but strategically you've [illegible] grow the [illegible] somewhere else. [illegible] growth prospects in [illegible] places, and I guess we [illegible] looking." Mr Moffat will not be drawn further, but it would [illegible] a surprise if Asia, [illegible] particularly China, was not in his sights.

Paradoxically, British [illegible] could be [illegible] long-term beneficiary of the [illegible] in the industry following the Brussels agree[illegible]. The non-aided [illegible] companies were exasperated by it, [illegible] Mr Fletcher, in particular [illegible] agreement on subsidies and new capacity at Ekostahl [illegible] ern Germany. By [illegible] year 2000, there could be [illegible] single German producer, or [illegible] two, he says.

Mr [illegible] is strongly in favour [illegible] mergers in [illegible] industry, [illegible] he [illegible] this is the best way to [illegible] capacity. "Fewer players means greater discipline, and [illegible] degree of transparency which is [illegible] there today," he says.

Crédit Agricole expects static net profits for 1993

By Alice Rawsthorn in Paris

Crédit Agricole, the network [illegible] agricultural co-operative banks which [illegible] the largest forces in French banking, expects to report static net profits of about FFr5.2bn ($851m) for 1993.

Mr Lucien Douroux, who took over [illegible] chairman [illegible] year when Mr Philippe [illegible] left to head the Elf Aquitaine oil [illegible] in an interview with Les Echos [illegible] the bank had produced [illegible] very good performance in a difficult economic climate.

The French [illegible] have had a tough [illegible] for the past [illegible] years, due [illegible] the sluggish [illegible] of the credit market and the impact of the economic [illegible]sion on their corporate loans and property holdings.

Some of the banks [illegible] plunged into the red. [illegible] have suffered sharp falls in profits.

Crédit Agricole has remained relatively resilient against this grim scenario. It saw net profits rise by [illegible] per cent [illegible] FFr5.2bn in [illegible] from FFr4.9bn in 1992.

Mr Douroux [illegible] that recent reductions in French [illegible] had had [illegible] impact [illegible] the bank's 1993 results but should have [illegible] positive [illegible] this [illegible].

[illegible] Hermès, one of the [illegible] known names in French luxury goods, managed [illegible] net profits by an estimated 21 per [illegible] last year, in spite [illegible] the difficulties [illegible] luxury market.

The company, which [illegible] controlled by the [illegible] family, had previously predicted more [illegible] growth in profits [illegible] FFr180m in [illegible] from FFr165.2m in [illegible].

However, Hermès yesterday [illegible] that the final [illegible] growth would [illegible] higher [illegible] its export [illegible] had [illegible] particularly good during the year. It experienced strong growth in silks, leather goods and clothing, but saw [illegible] fall in perfume and tableware.

The luxury goods industry [illegible] three [illegible] been badly affected by the global economic recession. However, Hermès, which operates at the very top of the mar[illegible], emerged unscathed.

It saw sales rise by 15 per [illegible] to FFr2.8bn in 1993. During December it registered [illegible] growth of 20 per cent compared with December [illegible].

Bank asked Conde to sell stake in Banesto

By Tom Burns in Madrid

The Bank of Spain [illegible] persuade Mr Mario Conde, former president of Banesto [illegible] sell his personal 4.5 per cent stake in the bank just days [illegible] dismissing him and his board, it was learnt yesterday.

At a meeting with Mr [illegible] December [illegible] the Bank's deputy governor, Mr Miguel Martin, is understood [illegible] have [illegible] Mr Conde if he would [illegible] his stake in [illegible] bank but did not [illegible] buyer.

The [illegible] Bank declined [illegible] comment on the [illegible]tion but it is the [illegible] time since Mr Conde was removed [illegible] that signs have emerged [illegible] authorities may have been trying to [illegible] a quieter departure from [illegible] a run on deposits [illegible] the suspension [illegible] stock triggered [illegible] official intervention on December 28.

It [illegible] thought unlikely in [illegible] Martin would [illegible] approach [illegible] Mr Conde had [illegible] potential buyer [illegible] the [illegible] in mind.

Since Mr [illegible] was [illegible] is being managed by executives [illegible] largely from Banco Bilbao Vizcaya, though the [illegible] has insisted it [illegible] in controlling [illegible].

Mr Conde, making [illegible] public [illegible] yesterday [illegible] his record [illegible] Banesto, [illegible] questions about pressure [illegible] his [illegible] referring [illegible] any particular meeting, [illegible] would only intimate [illegible] "out [illegible] loyalty" to other shareholders, he had [illegible] to refuse [illegible] sell [illegible] shares in [illegible].

The purpose of Mr [illegible] selling his [illegible] would have [illegible] allow for [illegible] management team satisfactory [illegible] the Bank [illegible] over.

Mr [illegible] was asked [illegible] the issue [illegible] the press conference. However, he did not appear [illegible] be willing [illegible] risk provoking [illegible] trouble.

[illegible] spoke [illegible] anger of the painless [illegible] that he [illegible] Banesto might [illegible] made had [illegible] Bank of [illegible] trusted him to carry on.

Spirit of glasnost loses its charm

Patrick Blum and Paul Betts look at the implications of the CSA wrangle

The Czech Republic [illegible] to be losing some [illegible] enthusiasm for foreign investors. [illegible] the recent bitter dispute between the Czech government and Volkswagen over [illegible] in VW's investment for its [illegible] joint venture, Prague [illegible] embroiled in [illegible] growing [illegible] with Air France, [illegible] French flag carrier, [illegible] acquired a minority [illegible] in [illegible] former Czechoslovak national [illegible] CSA [illegible].

When the partnership was formed in June 1992 with Air France [illegible] the European Bank of Reconstruction and Development (EBRD) taking a [illegible] nearly 40 per cent in CSA, it was part of the [illegible]ment's strategy [illegible] encouraging foreign investment [illegible] improve the competitive position [illegible] national airline. This was at [illegible] when other [illegible] European countries [illegible] seeking western partners and equipment [illegible] flag carriers.

Air [illegible] and [illegible] Depôts, [illegible] French [illegible] institution, paid [illegible] for almost 20 per [illegible] capital [illegible] providing training and [illegible] services [illegible] airline. The EBRD paid [illegible] for [illegible] similar [illegible] CSA, while [illegible] Czech [illegible] retained [illegible] and [illegible] shareholders.

For CSA, [illegible] partnership [illegible] provide an opening [illegible] new western markets [illegible] well [illegible] expertise [illegible] modernise [illegible] airline. For Air France, [illegible] investment [illegible] part of its efforts [illegible] expand its international alliances, strengthen its global network and provide it with a platform for expansion in what [illegible] then seen as [illegible] fast growing east European [illegible] transport market.

However, the relationship between [illegible] and Air France [illegible] turned sour [illegible] the Czech airline [illegible] plunged deeper into the red, with expected losses of [illegible] ($41m) for 1993, while Air [illegible] facing [illegible] and labour problems [illegible] home.

The [illegible] sides are locked in bitter negotiations as [illegible] government complained it had expected better and more collaboration from Air France. Last Saturday, it [illegible] letter [illegible] French airline outlining [illegible] considered were [illegible] carrier's prob[illegible] and suggested [illegible] it would be [illegible] for Air France to [illegible] its share.

Air [illegible] it did not [illegible] withdraw from [illegible] which it regards [illegible] long-term investment. Instead, Air France [illegible] EBRD [illegible]ing [illegible] capital injection [illegible] for [illegible] they [illegible] was [illegible] overvaluation of the [illegible] during the [illegible] deal.

This [illegible] an independent [illegible] by [illegible] Ernst and Young called for by [illegible] Attali, the former [illegible] of Air [illegible] resigned [illegible] when he [illegible] to [illegible] backing [illegible] French government for a sweeping restructuring programme for the French carrier.

In return for injecting fresh [illegible] into [illegible] airline, the Czech government [illegible] its control [illegible] CSA. [illegible] the government's stance [illegible] point to [illegible] broader change of mood about the role [illegible] foreign investors in large Czech companies.

[illegible] confirmed this week that the government wanted [illegible] the power [illegible] foreign shareholders on CSA's management board, by forcing changes in [illegible] the general assembly and of the airline's board [illegible] directors. But [illegible] changes, which would give [illegible] Czech government [illegible] majority voice on all important [illegible] in the [illegible] are being resisted by Air France.

The row [illegible] led [illegible] the sacking [illegible] Mr Jiri Fiker [illegible] CSA president, and the resignation [illegible] Mr Georges Vejdovsky, [illegible] of [illegible] Air France representatives on [illegible] CSA [illegible].

Air France, which is still hoping [illegible] a compromise [illegible] with the [illegible]ernment, agreed [illegible] Vejdovsky's resignation [illegible]tory gesture. [illegible] has agreed in principle [illegible] a [illegible] proposal [illegible] the number [illegible] representatives on [illegible] airline's [illegible] from 15 [illegible] 10 members. But it [illegible] retaining [illegible] blocking [illegible] important board decisions.

The [illegible] government holds a majority of [illegible] board but requires the [illegible] of its foreign partners on all important issues.

CSA's managers have been left [illegible] dark as to [illegible]ernment's long-term intentions. Although the government [illegible] it has two other airlines and financial institu[illegible] lined up [illegible] the wings [illegible] take over [illegible] Air France, one [illegible] official said: "We were very surprised by the government's proposals. I don't [illegible] if Mr Strasky [the transport minister] knows of any managers who can turn the company around. [illegible] are also looking for some answers."

CSA's financial problems [illegible] the result of a combination of factors including an ageing fleet, costly leases [illegible] Airbus aircraft contracted before 1992, [illegible] surplus [illegible] employees and unprofitable routes. This [illegible] with increasingly tough international competition.

The [illegible] government [illegible] complained of unfair competition by [illegible] European airlines. Last week, it decided unilaterally to [illegible] by a third [illegible] number [illegible] by KLM Royal Dutch [illegible] Prague [illegible] provoking protests [illegible] the Dutch government and KLM.

[illegible] plight [illegible] has [illegible] question whether the [illegible] Republic and [illegible] east European [illegible] their own flag carriers. One [illegible] up in [illegible] Europe an [illegible] partnership combining several national [illegible] to [illegible]navian [illegible].

Spectacles maker woos institutions

[illegible]

Chauvin, [illegible] French spectacles manufacturer, plans [illegible] raise capital by bringing [illegible] institutional investors in order [illegible] finance expansion.

Mr [illegible] Chauvin, whose family owns 80 per cent of [illegible] company, [illegible] he hoped [illegible] attract institutional investment [illegible] accelerate Chauvin's development and to reduce [illegible].

Chauvin recently bought [illegible] spectacles division of Smith & Nephew in the UK and [illegible] taken control [illegible] Ankerpharm, [illegible] spectacles manufacturer in eastern Germany.

Ankerpharm had sales of FFr140m ($24m) last [illegible] and [illegible] Smith & Nephew [illegible] mustered turnover of FFr65m. Mr Chauvin said that the [illegible] companies [illegible] not [illegible] profit[illegible] as Chauvin, but both [illegible] great potential.

Chauvin saw net profits fall [illegible] an [illegible] FFr30m [illegible] from [illegible] in [illegible].

Mr Chauvin [illegible] he expected acquisitions [illegible] contribute to a sharp increase in turnover this year, with sales rising [illegible] around FFr580m against an estimated [illegible].

Dutch PTT upbeat over earnings growth

By Ronald van de Krol in Amsterdam

Koninklijke PTT Nederland, [illegible] state-owned telecommunications and postal [illegible] which [illegible] to be privatised this year, said profits growth in [illegible] was [illegible] equal [illegible] of [illegible] seen in [illegible] years.

Mr Wim Dik, chairman, [illegible] no absolute figures but his remarks, contained in [illegible] new year [illegible] management, suggest that profit rose by [illegible]eral percentage points [illegible] year. In 1992, [illegible] profit was up 3.4 [illegible] cent [illegible] Fl 1.66bn [illegible], following increases [illegible] per [illegible] and [illegible] in [illegible].

Mr Dik said turnover [illegible] through [illegible] Fl 17bn [illegible] for the first [illegible] in [illegible]. This implies a [illegible] of [illegible] turnover of Fl [illegible]. The improvements in [illegible] profits [illegible] in both telecommuni[illegible] postal services.

The company's postal [illegible] one of only two postal operations in Europe [illegible] record a profit, along with that [illegible] UK.

[illegible] flotation will probably [illegible] place in [illegible] spring.

Ericsson merges units

By Haig Simonian in Milan

Ericsson, the Swedish telecommunications group, [illegible] merging its [illegible] Italian subsidiaries [illegible] win [illegible] greater share of the expanding [illegible] telecommunications [illegible] and new opportunities [illegible] Europe and the [illegible].

The [illegible] Ericsson Sielte will create a company [illegible] of more [illegible] L1,600bn ($974m) [illegible] year and [illegible] 7,000 employees. Group net profits in Italy amounted [illegible] L59bn in [illegible] first half [illegible].

The new company, to be [illegible] Ericsson Telecommunicazioni, is the Swedish group's [illegible] subsidiary. [illegible] merger [illegible] leave [illegible] company [illegible] placed [illegible] meet growing competition [illegible] the [illegible] telecommunications [illegible].

LWT forecast strengthens bid defence

By Raymond Snoddy in London

London [illegible] Television yesterday [illegible] of [illegible] against [illegible] bid by [illegible] group – [illegible] pre-tax profit [illegible]mate of [illegible] ($65.5m) for [illegible].

[illegible] better than expected figure, representing a [illegible] per cent [illegible] on [illegible] backed up by pro forma earnings per share of 28.4p, a rise of 50.3 per cent.

[illegible] Christopher [illegible], chairman of LWT (Holdings), [illegible] that growth would continue – [illegible] has [illegible] its pre-tax profits from £16.2m in [illegible].

"Television [illegible] good business [illegible] why Gerry [illegible] [the Granada [illegible] executive] [illegible] it," Sir Christopher said. "They [Granada] [illegible] stock, they are a conglomerate and they are a highly geared business."

Granada, however, poured scorn [illegible] unconvincing document which [illegible] rebut the value and logic of [illegible] offer".

The profit estimates, including [illegible] an increase in trading [illegible] turnover from [illegible] per [illegible] per [illegible] – nearly 40 per cent in the case of the LWT Broadcasting – [illegible] Granada [illegible] improve [illegible].

Granada, which [illegible] ranging from television and rental [illegible] leisure, industrial catering and computer services, will tomorrow [illegible] deadline [illegible] acceptances [illegible] February 4, the last possible date. The current terms are six new [illegible] shares [illegible] every [illegible] LWT shares, valuing LWT at around £700m [illegible] a 528p cash [illegible].

Mr Neil Blackley, analyst at [illegible] the LWT [illegible] good. "I think it really puts [illegible] ball [illegible] court. They have got [illegible] increase [illegible] offer," [illegible] said.

[illegible] is considering improving [illegible] – paying [illegible] final [illegible] and increasing [illegible] alter[illegible].

Yesterday Granada shares closed at 572p, [illegible] LWT down 2p at 673p.

LWT, which tried and failed to set [illegible] tactical [illegible] with Yorkshire-Tyne Tees, has not ruled out the possibility of another deal.

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INTERNATIONAL COMPANIES [redacted] FINANCE

Olympia & York creditors to sell 61% Abitibi stake

By Bernard Simon in Toronto

Olympia & York's creditors [redacted] offered public investors the controlling stake formerly held by the failed property developer in Abitibi-Price, [redacted] Canadian-newsprint producer.

A&G Resources, a company formed by 32 [redacted] lenders, [redacted] yesterday it planned to raise C$886m (US$674m) from the sale of [redacted] 61 per cent stake in Abitibi.

The 54.5m shares will be sold for C$16.25 [redacted] share, payable in [redacted] instalments to October [redacted] The offer is being made worldwide, except the US, where shares will be privately placed.

O&Y pledged the shares [redacted] group of banks, led by Hongkong [redacted] Shanghai Banking Corp and [redacted] Lyonnais, as the main collateral for [redacted] US$2.5bn loan advanced in the late 1980s.

The banks gained the right to sell the shares as part of O&Y's restructuring last year. They still control [redacted] 70 per cent stake in Gulf [redacted] Resources, a Calgary-based energy group, which [redacted] also pledged by O&Y as security for the US$2.5bn loan. However, barring a sharp rise in the oil price, the banks are unlikely to recoup anywhere near the full value of the loan.

The decision to sell the Abitibi stake has been prompted by a sharp rise in share prices of forest-products companies as evidence mounts that the long slide in pulp and paper prices may be ending.

Mr Ron Lloyd, [redacted] of syndication at RBC Dominion Securities, which is co-leading the offer, said yesterday "there is a significant demand [redacted] paper stocks". Abitibi was trading [redacted] Toronto stock exchange yesterday morning, up from a 1993 low of C$10.75.

Abitibi [redacted] of the world's biggest newsprint and uncoated groundwood [redacted] producers. Mr Bernd Koken, chairman, said yesterday [redacted] sale would not affect day-to-day operations or longer-term strategies.

Abitibi [redacted] the [redacted] eral Canadian forest-products companies in which a large stake has been spun off [redacted] the public by [redacted] troubled controlling shareholder.

Toronto's Bronfman family [redacted] their interest in [redacted] Bloedel, the [redacted] coast pulp [redacted] paper producer, while Stone Container of Chicago recently reduced [redacted] in [redacted] Stone-[redacted]

Oracle, Bell Atlantic in TV pact

By Louise Kehoe in San Francisco and Andrew Adonis in London

Oracle, the US computer database software company, is emerging as a leader in software for interactive television (I-TV) services.

Today it plans to announce an alliance with Bell Atlantic, the US regional telephone [redacted] to offer jointly the first commercial I-TV service in the US.

While several US companies [redacted] begun experimental [redacted] of I-TV, Bell Atlantic and Oracle say they will establish the first commercial US I-TV service in Washington DC, starting in March. [redacted] will provide new multimedia [redacted] and systems integration services.

The [redacted] companies also [redacted] long-term plans [redacted] jointly interactive information technology [redacted] communications [redacted] cable-TV [redacted]

The Oracle [redacted] will [redacted] multimedia [redacted] containing thousands [redacted] films for "movies on demand" [redacted] well as video, [redacted] and text for on-line shopping and information services.

[redacted] has [redacted] the most aggressive "Baby Bells" [redacted] moving [redacted] interactive information services. Last October, [redacted] announced plans [redacted] with Tele-Communications, [redacted] largest [redacted] cable-TV [redacted]

Oracle's new multimedia [redacted] designed [redacted] run [redacted] a variety [redacted] computers. Bell Atlantic will run it [redacted] parallel supercomputer developed by nCube, [redacted] California.

In [redacted] UK, [redacted] Telecom [redacted] adopted [redacted] similar configuration [redacted] Oracle [redacted] an nCube supercomputer for a [redacted] interactive television being [redacted] sham laboratories.

McCain arbitration hearing opens

By Bernard Simon

An arbitrator has begun hearing [redacted] in the [redacted] province of [redacted] Brunswick to determine the future of McCain Foods, the international potato-chip and frozen-food processor which has been riven by a row among McCain family shareholders.

The closed hearing is the culmination of a long feud [redacted] Harrison [redacted] McCain, the two brothers who are McCain Foods' joint chief executives and between them control two-thirds of its shares.

The arbitration, including an appeals mechanism to which both sides have agreed, is expected to be completed by the end of April.

The dispute has dragged on for more than three years since Mr Wallace McCain defied his brother by appointing [redacted] Michael as head of McCain's US operations.

Wallace has [redacted] proposed splitting the [redacted] along geographic lines, [redacted] branch [redacted] the [redacted] ling the North [redacted] and [redacted] operations, and Harrison taking over [redacted] pean side. Harrison and [redacted] board [redacted] the com[redacted] remain one unit.

US branch of Habitat files for Chapter 11

By Richard Tomkins

Conran Stores, which operates the US branch [redacted] the Habitat chain founded by Sir Terence Conran in the UK, is seeking protection from creditors under Chapter 11 [redacted] the US bankruptcy code.

The company's 14 home furnishings stores, which operate in the US under the Habitat name, were attempting to find [redacted] buyer, but [redacted] seemed unlikely they would continue [redacted] their existing form.

Conran [redacted] owned by a [redacted] US [redacted] by Mr [redacted] Traub, a former chairman of [redacted] Blooming[redacted] department [redacted] group. They bought the loss-making [redacted] from Storehouse, the UK retailing group, in [redacted]

Mr Traub's [redacted] tried [redacted] revive the chain, [redacted] that the "difficult and very competitive retail environment and [redacted] continuing general economic [redacted] which had severely affected Conran's during prior [redacted] proved [redacted] high [redacted] hurdle [redacted] overcome."

Discussions [redacted] being held with several parties, but if [redacted] proved [redacted] the company would [redacted] appropriate action [redacted] maximise [redacted] a prompt disposition of [redacted] assets".

Arco to take $450m charge

By [redacted] in New [redacted]

[redacted] Richfield (Arco) [redacted] of $450m after tax [redacted] the [redacted] of shrinking its US oil and gas businesses outside Alaska.

The ch[redacted] is [redacted] be included in fourth-quarter [redacted] ures for 1993, follows [redacted] announcement in [redacted] that [redacted] would incur a [redacted] charge [redacted] reshape [redacted] bulk [redacted] its US operations.

It [redacted] severance [redacted] from shedding [redacted] jobs, as well as [redacted] of some oil [redacted] gas properties which [redacted] plans to [redacted]

State plans further sale of Telmex stock

By Damian Fraser in Mexico City

The Mexican government plans [redacted] sell $520m of its [redacted] in [redacted] de México (Telmex), the monopoly telephone company, through [redacted] convertible bond.

Nacional Financiera, [redacted] bank, said [redacted] would begin the paperwork with the US Securities and Exchange Commission and the Mexican equivalent next week. The offering is equivalent to 1.53 per cent of Telmex stock.

The convertible bond offering will be managed by Merrill Lynch. In the past, Goldman Sachs has managed the govern[redacted] offerings of Telmex [redacted]

Mr [redacted] Ortiz, under-minister of finance, said [redacted] money would go into [redacted] government's special contingency [redacted] denied reports [redacted] offering had been timed to finance spending in the [redacted] Chia[redacted] was [redacted] uprising [redacted] week.

The combination [redacted] a presi[redacted] election this [redacted] and the Chiapas uprising [redacted] to speculation that the govern[redacted] will run [redacted] budget deficit.

[redacted] Ortiz [redacted] the government [redacted] the other 3 per [redacted] Telmex that it holds between September and December last [redacted] in [redacted] open market, for which it obtained about $1bn.

This money has also been put in [redacted] contingency fund, Mr [redacted]

Mercedes gloomy on truck sales

By Christopher Parkes in Frankfurt

Recession has [redacted] German hauliers [redacted] de-register [redacted] and 15 per [redacted] of their truck fleets, according to Mr Bernd Gottschalk, [redacted] Mercedes-Benz's commercial [redacted] division.

This unused capacity will have [redacted] the group can expect to increase sales of new vehicles in its home market, where it claims [redacted] per [redacted] of the heavy [redacted]

Forecasting unchanged turn[redacted] almost 6 per cent to DM25.3bn ($14.7bn) last [redacted] Mr Gottschalk [redacted] he saw no real prospects [redacted] in Europe, with the exception of the UK, which had become the Euro[redacted] Union's economic "locomotive".

Some improvement might [redacted] in France towards the end of the year, he said, but there was no [redacted] of better [redacted] in Italy [redacted] markets like Spain, where deliveries had plunged by up [redacted] 50 [redacted] cent.

The company could not expect [redacted] increase [redacted] volumes in Germany this year, although output from its Düsseldorf [redacted] would [redacted] bolstered by a recent order [redacted] 8,700 vans for [redacted] Bundespost postal service.

Private sector hauliers [redacted] de-registered trucks to [redacted] insurance and road taxes, after building up their fleets in prep[redacted] for [redacted] single European market which came into force a year [redacted] and then being hit by recession.

Liberalisation of European transport policy had further sharpened competition. "It all helps to explain the trough [redacted] are in." Mr Gottschalk [redacted]

Reviewing [redacted] when [redacted] deliveries fell 22 per cent in [redacted] EU and 7 [redacted] cent worldwide to 255,000 trucks, vans and buses, he [redacted] output from the group's [redacted] European plants had been cut [redacted] prevent [redacted] unmanageable build-up of stocks.

By contrast, unit sales at Freightliner, the [redacted] subsidiary, had increased 37 [redacted] cent to 45,000 units.

Mr Gottschalk promised [redacted] complete renewal [redacted] group's product [redacted] which will absorb most of the current DM6bn five-year capital investment programme, and a sharpened offensive in developing markets.

Toys R Us to buy back $1bn of shares and open 115 new stores

By Richard Tomkins in New York

Toys R Us, the [redacted] US toy retailer, yesterday announced [redacted] would open [redacted] toy [redacted] in the [redacted] and 70 stores over[redacted] this year [redacted] what [redacted] its [redacted] expan[redacted] yet.

It [redacted] also signed [redacted] agreements to move into Saudi Arabia and the Gulf [redacted] and is to buy back up to $1bn worth of [redacted] several [redacted]

The shares, however, [redacted] by [redacted] 8¼ [redacted] 38⅞ yesterday morning. Analysts [redacted] store-opening programme [redacted] in line with expectations and the share buy-back plan would [redacted] relatively small impact on earnings per share.

Toys R Us has 581 stores in [redacted] US and 234 overseas, so the [redacted] will increase proportionally much [redacted] ber [redacted] stores.

Mr Charles Lazarus, chairman, [redacted] he [redacted] "a tremendous opportunity" for Toys [redacted] build [redacted] market share [redacted] next few [redacted] the [redacted] planned to exploit [redacted] opportunity.

[redacted] plan [redacted] of signing franchise agreements [redacted] will bring [redacted] Toys [redacted] would not otherwise have been entered [redacted] many years.

Two agreements have been signed: [redacted] with an unnamed [redacted] Arabian [redacted] for toy [redacted] in [redacted] Arabia, and [redacted] with Al Futtain [redacted] a [redacted] based in [redacted] United Arab Emirates, for the operation of stores in the UAE, Qatar, Bahrain, Oman and Kuwait.

[redacted] Lazarus [redacted] in spite of the expansion plans – which one analyst estimated would result [redacted] total capital spending of about [redacted] year – the [redacted] was generating substantial excess [redacted] flow. The share repurchase plan [redacted] therefore [redacted] adopted to increase shareholder value.

Derivatives unit established by Morgan Stanley

Morgan Stanley [redacted] up a triple-A [redacted] unit for trading derivative instruments, following a trend [redacted] by Merrill Lynch and Salomon Brothers, writes Tracy Corrigan.

Morgan Stanley Derivative Products has initial capital of $150m in the form [redacted] equity, but more will be added [redacted] the size of the portfolio [redacted] transactions requires.

[redacted] banks and [redacted] firms [redacted] up separately capitalised derivatives units [redacted] compete with top-rated banks. The over-the-counter derivatives [redacted] extremely credit-sensitive, and many counterparties will not deal with banks rated [redacted] double-A.

ANA proposes marketing links with BA

By Paul Abrahams in Tokyo and Paul Betts in London

All Nippon Airways (ANA), Japan's largest carrier, has approached British Airways with a series of marketing proposals to help strengthen its international operations.

But BA [illegible] far not responded to ANA's proposals to enter into ticket code sharing agreements, although the [illegible] are discussing co-operation on frequent flier programmes.

BA yesterday said it did not comment on speculation [illegible] partnerships and alliances, but industry sources said that the UK carrier had been receiving approaches [illegible] frequently [illegible] one a week by airlines wanting to join the trend towards globalisation.

They suggested the ANA initiative, made towards the end of last year, [illegible] be just one such approach. BA [illegible] understood to have taken [illegible] decision nor discussed internally the ANA approach.

Before the latest approach to BA, the Japanese [illegible] had held discussions two years ago with another UK carrier, British Midland, over possible marketing co-operation.

ANA's proposals [illegible] BA include a limited code-sharing agreement between London and Tokyo, and a [illegible] plan involving ANA code-sharing with BA throughout Europe.

Mr Yuzuru Masumoto, senior vice-president, legal affairs, also said the two airlines could negotiate sharing data, engineering facilities and flight [illegible].

[illegible] was keen to conclude a deal as soon as possible, said Mr Taiji Kameyama, senior vice-president, commercial affairs. The Japanese airline is also negotiating with other groups, including Asian, European and trans-Pacific carriers.

"It's difficult to find the ideal partner. The best trans-Pacific carrier is not always on good terms with the best European," explained Mr Kameyama.

In Europe, All Nippon Airways [illegible] it is also talking to members of the failed Alcazar alliance, which involved Scandinavian Airlines System, Swissair, KLM Royal Dutch Airlines and Austrian Airlines.

ANA already holds a small stake in Austrian Airlines.

Australian group in [illegible] joint venture

Savage Resources, the Australian coal-mining and mineral [illegible] group, together with [illegible] Asian joint venture partners hope to produce [illegible] 4m [illegible] a [illegible] of thermal coal in Queensland's Bowen basin [illegible] winning [illegible] for [illegible] newly-re-[illegible] exploration area there, writes Nikki Tait in Sydney.

Savage will be an equal partner in the venture, alongside Mitsui Mining, the Japanese coal producer, and [illegible] tium [illegible] Korean companies, including Hyosung Corporation, Yukong, Dongbu Corporation and the Korea Mining Promotion Corporation.

Savage hopes [illegible] mine will [illegible] production in seven [illegible] 10 [illegible] and be able [illegible] supply south-east [illegible] power [illegible] tions now in the design and construction stage.

Bridge Oil US issue delayed

Bridge [illegible] Australian oil [illegible] company, [illegible] proposed flotation [illegible] its US unit [illegible] likely [illegible] be postponed until [illegible] sustained improvement [illegible] markets, writes Nikki Tait.

[illegible] formal [illegible] has yet been [illegible], but the timing [illegible] "At [illegible] I would [illegible] it probably won't go ahead [illegible] planned [illegible] end [illegible] January, [illegible] well [illegible] in the year," [illegible] one [illegible].

In December, Bridge announced plans to offer [illegible] per cent of [illegible] Oil (USA) [illegible] investors via a public [illegible] of 4m [illegible] common [illegible]. The [illegible] said [illegible] likely delay [illegible] affect its plans [illegible] acquire a package of [illegible] production and exploration properties from [illegible] Energy [illegible].

Citic Pacific

Citic Pacific, [illegible] Hong Kong listed arm [illegible] the Beijing foreign investment company, said it is in "very preliminary dis-[illegible]" over [illegible] possible spin-off [illegible] Dah Chong [illegible], its motor trading group, [illegible] Louise [illegible] in Hong Kong.

Chicago Board of Trade to miss talks on Globex

By Laurie [illegible] in [illegible]

The Chicago Board of Trade, in an apparent escalation of its dispute with [illegible] UK-[illegible] information company, plans [illegible] stay away from talks [illegible] week on the future of Globex, [illegible] electronic futures trading system developed by [illegible] Chicago Mercantile Exchange, the CBOT and Reuters.

The CBOT's absence has heightened speculation that Globex will be reorganised in April without [illegible] participation of the world's busiest futures exchange.

[illegible] officials say the development increases [illegible] chances [illegible] offshore exchanges, notably Liffe in London, joining the system. These exchanges have been unwilling to join the system because [illegible] managed by rival exchanges.

Representatives from Reuters, [illegible] the [illegible] exchange which is already a member [illegible] Globex, and the Chicago Mercantile Exchange will [illegible] negotiations [illegible] new management format for Globex tomorrow. [illegible] the CME and Reuters have proposed [illegible] for [illegible] new [illegible]ment.

Although the [illegible] is [illegible] part-[illegible] CME in [illegible] joint [illegible], it has [illegible] ambivalent [illegible] project, [illegible] competing with [illegible] mainstream [illegible] of open outcry futures trading.

The [illegible] has contributed less than 3 [illegible] of volume [illegible] system in recent months, [illegible] has increasingly challenged Globex's viability.

Mr [illegible] Arbor, CBOT chairman, has described Globex as inefficient [illegible] expensive. He has said CBOT was making contingency plans for the time when it [illegible] no longer part of Globex.

[illegible] Rosalyn Wilton, Reuters' director of transaction products, in [illegible] to [illegible] Arbor, [illegible] asked CBOT [illegible] to extend the hours it [illegible] its products [illegible] Globex, and to [illegible] plans for Project A, a CBOT daytime trading system seen as [illegible] rival [illegible].

[illegible] Arbor responded [illegible] the CBOT [illegible] not [illegible] subject to such preconditions. "We simply [illegible] not in a position [illegible] cave in [illegible] new demands that would [illegible] disadvantageous our [illegible]," he said in a statement.

An exchange spokesman confirmed the CBOT would [illegible] attend the meetings, saying "we've been disinvited".

Mr Jack Sandner, CME chairman who [illegible] the [illegible] joint [illegible] who holds the tie breaking vote [illegible] any [illegible] with [illegible] CBOT, [illegible] the CME [illegible] Matif [illegible] in agreement [illegible] a Globex structure [illegible] resemble "a single global exchange," with Reuters providing services [illegible] system.

[illegible] proposing [illegible] staunch Globex's losses by signing up more exchanges to provide products on [illegible] system. It currently has [illegible] terminals around the world.

However, many [illegible] expire in June, and their [illegible] the system can [illegible] more attractive.

Isda forms arbitration service

By [illegible] Morse

Despite protests that it [illegible] become the self-regulatory organisation for over-the-counter derivatives trading, [illegible] International Swaps and [illegible] has formed [illegible] non-binding [illegible] service [illegible] Isda [illegible] Advisory [illegible].

The service [illegible] the dual goals of settling disputes [illegible] establishing good [illegible] practices in the industry, Isda [illegible].

Isda has [illegible] promoting [illegible] and [illegible]latory issues [illegible] commercial, investment, and mer-[illegible] in swap [illegible] transactions.

Taiwanese PC maker nearly doubles profits

Acer, Taiwan's largest personal computer maker, said parent net profits nearly doubled [illegible] T$1.08bn (US$41m) last year from T$56m in 1992, Reuter reports from Taipei.

Parent company sales climbed to an estimated T$19.36bn from T$12.24bn Acer [illegible] in [illegible] statement.

Sales for [illegible] entire Acer group [illegible] to T$50bn last [illegible] net profits [illegible] record T$2bn, the company said without giving group profits for 1992.

Mr Philip Peng, Acer's vice-president, attributed [illegible] parent [illegible] profits [illegible] introduction [illegible] system under which key computer parts [illegible] exported [illegible] factories where final assembly of computers is carried out.

Profits [illegible] also boosted [illegible] Acer's joint venture making dynamic random access memory (DRAM) chips with [illegible] Instruments started to make money, Mr Peng said.

Acer's operations in the US and Europe suffered a [illegible] about T$800m last year but [illegible] in [illegible] fourth quarter.

The parent company obtained T$500m in earnings from land disposals [illegible] 1993, compared with T$580m in 1992.

Peng [illegible] Acer [illegible] targets of T$20bn for [illegible] parent company and [illegible] for the group this year.

Japanese trading house to liquidate finance unit

By Emiko Terazono [illegible] Tokyo

Itochu, [illegible] leading Japanese trading house, [illegible] of [illegible] will liquidate Itochu Finance, a finance subsidiary [illegible] during the late [illegible] vehicle [illegible] invest [illegible] financial markets. The [illegible] will book [illegible] extraordinary loss of [illegible] for the current year [illegible] March.

Many Japanese companies, which invested in the stock market during [illegible] asset "bubble" of the late 1980s, [illegible] suffered heavy [illegible] following the plunge in Japanese [illegible] prices [illegible] 1990.

Other leading trading houses, including Mitsubishi, Sumitomo and Marubeni, have [illegible] to write [illegible] loss-making finance units. [illegible] Y28bn, Itochu booked Y9.8bn in extraordinary losses [illegible] the end of [illegible] half in September.

Itochu said it would raise [illegible] by selling [illegible] to [illegible] part [illegible] liquidation losses. However, it now expects [illegible] after-tax profit of Y2bn for the year, rather than the previously forecast Y6bn.

Itochu Finance's total liabilities exceeded its total assets by Y3.1bn at the end of August as [illegible] from [illegible] investments mounted [illegible] Y15.6bn. [illegible] parent [illegible] plans [illegible] liquidate the [illegible] of tokkin, or specified [illegible] and other fund [illegible] unit.

Shiraz Sidhva looks at the latest entrant to be permitted to join the Indian fast-food market

Pizza Hut heads for New Delhi middle classes

F[illegible] it was burgers, then fried chicken, and [illegible] pizzas, as [illegible] Indian government continues to attract international fast-food companies [illegible] the country's newly-liberalised markets.

Pizza Hut International, a subsidiary [illegible] the US [illegible] and drink conglomerate PepsiCo, [illegible] been given permission [illegible] establish [illegible] 100 [illegible] cent-owned company in India, which will [illegible] up a [illegible] of pizza restaurants [illegible] an investment of [illegible] spread [illegible] years.

The approval follows the clearance in November of [illegible] similar $40m proposal from Kentucky Fried Chicken, another PepsiCo subsidiary, [illegible] extend the world's largest [illegible] system of 9,000 [illegible] in [illegible].

Earlier last year, McDonald's, [illegible] world's largest fast-food chain, received permission [illegible] set up shop in India.

Meanwhile, Burger King, [illegible] second-largest [illegible] food [illegible] in the US, [illegible] been exploring the [illegible] market, [illegible] yet to [illegible] its plans for India, which [illegible] include a local partner.

The American fast-food giants, which have [illegible] fully expanded [illegible] outlets [illegible] markets in [illegible] Russia, are confident [illegible] India, [illegible] burgeoning middle class, provides excellent potential for the [illegible] industry.

A [illegible] feasibility study by Burger King [illegible] illustrated that India is [illegible] for fast [illegible] than [illegible].

This explains PepsiCo's [illegible] sion [illegible] New [illegible] the venue of its largest [illegible] yet – a [illegible] flagship store [illegible] will house both Pizza Hut [illegible] Kentucky Fried Chicken under [illegible] roof.

The company [illegible] decision to combine [illegible] chicken and pizza outlets [illegible] the result of market research, which showed [illegible] Indians preferred [illegible] variety [illegible] be served in [illegible] restaurant, and that single-fare outlets would not do well [illegible] Indian market, where large [illegible] eating [illegible] prefer multi-cuisine restau-[illegible].

This is [illegible] illustrated by Nirula's, a Delhi-based fast [illegible] range of [illegible] cuisines, from burgers [illegible] pizza [illegible] kebabs and curries.

Nirula's [illegible] contributed substantially to introducing middle-class Indians to western-style "junk" foods. The family-owned company would rather [illegible] disclose its turnover, but [illegible] indication of its size [illegible] that it [illegible] 40,000 customers each day through [illegible] 11 outlets [illegible] Delhi, and has three busy restaurants in Nepal [illegible] in Muscat.

[illegible] held [illegible] ground to competition from foreign entrants such as Wimpy's, the UK chain, which entered India through a [illegible] Indian partner several [illegible], [illegible] has had difficulty [illegible]ing into the market.

"The Indian market [illegible] extremely tempting but there are very real problems here, and the foreign chains have [illegible] idea what the odds against [illegible] are," says [illegible] successful Indian restaurateur.

O[illegible] hurdle for foreign chains is [illegible] unavailability of [illegible] ingredients, and religious taboos [illegible] others.

McDonald's and Burger King earn a large chunk of their rev-[illegible] from beef and pork burgers, which would not find favour with Indian clients, [illegible] prefer goat [illegible] lamb if they [illegible].

Kentucky Fried [illegible] not [illegible] happy about the quality of chicken and [illegible] for frying [illegible] the local market. And Pizza Hut will have to [illegible] up [illegible] factory for [illegible] steady supply of Mozarella cheese.

Indian [illegible] too soft [illegible] pizza bases, and so hard wheat will have [illegible] grown or imported. And specialised kitchen equipment will also [illegible] subject to government licensing.

"Our main problem is to set up [illegible] supply chain for pizza toppings, chicken, [illegible] and wheat," [illegible] a PepsiCo executive. Both [illegible] will [illegible] until at [illegible] September [illegible] launch [illegible] chains.

EIB in record L1,000bn deal as Eurolira sector expands

By Tracy Corrigan and Conner Middelmann

The flood of fresh debt in the Eurobond market shows no sign of abating as new issues emerged across a wide range of currencies yesterday.

The Eurolira bond market continued its rapid expansion, as the European Investment Bank launched the largest ever deal in a single tranche. Issuance in the sector is running at a record level: as well as the EIB's L1,000bn deal, Bayerische Landesbank launched a German-targeted L300bn issue yesterday, following a deal by Bayerische Vereinsbank on Monday. This brings the total amount of new issues so far this year to L3,300bn, compared with L18,000bn for the whole of last year. Although the newly liberalised market is beginning to appear overloaded, the injection of liquidity into the market is helping to attract more institutional participants.

"L1,000bn is the typical size of an Italian government bond issue," said Mr Niccolo Nuti, head of capital [illegible] at Credito Italiano. He reported strong sales to fund managers in the UK, Switzerland, Germany, Scandinavia and Benelux countries. However, retail investors [illegible] participated in [illegible] deal, he added. The L1,000bn EIB deal is part of its total lending programme of L5,000bn to Italy this [illegible]

[illegible] priced [illegible] yield 88 basis points [illegible] the gross yield of [illegible] five-year [illegible] government bond. Although this appears aggressive, it compares favourably with [illegible] pricing [illegible] other [illegible] Eurobonds, such [illegible] Eurofima deal. [illegible] prefer [illegible] buy Eurobonds [illegible] than [illegible] bonds because for[illegible] are [illegible] having problems reclaiming withholding [illegible] on [illegible]

INTERNATIONAL BONDS

In the D-Mark sector, the Republic [illegible] Finland [illegible] of [illegible] via Dresdner Bank. The bonds, which are [illegible] to [illegible] priced today with [illegible] expected yield spread of [illegible] points [illegible] the benchmark bund, are the [illegible] non-bank D-Mark straight [illegible] this year and met with good demand from domestic and foreign investors, syndicate [illegible] said.

[illegible] were especially attracted by the seven-year maturity, where there has [illegible] dearth of supply in [illegible] weeks. "There's been a [illegible] supply in [illegible] five [illegible] 10-year sector – much of [illegible] not yet placed – but in the seven-year area [illegible] little paper," [illegible] one syndicate manager. Another [illegible] the maturity should compensate [illegible] pricing [illegible] bonds, which he [illegible] the tight side. German buyers [illegible] reported [illegible] especially [illegible] by [illegible] yield pick-up of [illegible] 11 [illegible] points [illegible] paper.

The DM1bn [illegible] of 10-year [illegible] by [illegible] via [illegible] Landesbank Girozentrale were rather [illegible] to place [illegible] Germany, yielding [illegible] points [illegible] bonds. More[illegible] the 10-year [illegible] saturated with recent bank bond [illegible]. "The trouble is [illegible] to [illegible] advantage [illegible] low long yields, but investors [illegible] to buy [illegible] play what's [illegible] of [illegible] interest-rate easing," said [illegible] Frankfurt syndicate official. The [illegible] recommended reoffer price [illegible]

The [illegible] sector came back [illegible] issue [illegible] of [illegible] year bonds for [illegible] Despite [illegible] relatively [illegible] pricing, it [illegible] strong retail [illegible] According to an [illegible]cial [illegible] lead manager [illegible] Bank Corporation, the deal quickly broke syndicate and [illegible] yield tightened to around [illegible] points below the relevant [illegible] OAT from [illegible] launch spread of 17 basis points below.

Separately, Italy's Y300bn global offering [illegible] priced yesterday [illegible] end of the [illegible] range, [illegible] 41 basis points [illegible] seven-year JGB yield.

By the end of the day, the deal had tightened [illegible] points [illegible] the curve, while the price dropped slightly from a fixed reoffer level of 99.98, to close at 99.88 in a weakening market.

The Japanese equity-warrant sector saw three deals totalling [illegible], which [illegible] with solid demand from continental Europe.

NEW INTERNATIONAL BOND ISSUES

Borrower	Amount m.	Coupon %	Price	Maturity	Fees %	Spread bp	Book runner
US [illegible]							
Kingdom of Belgium(a)	500	[illegible]	99.896R	[illegible]	0.325R	+24 (5¾%-03)	Merrill Lynch Intl.
NGK Spark Plug [illegible]	250	[illegible]	[illegible]	[illegible]	2.25	-	[illegible] Intl.(Europe)
Kingdom of Sweden	200	(c)	100.00R	[illegible]	0.15R	-	Morgan Stanley Intl.
Kuraray Co (d)φ	200	1.50	[illegible]	[illegible]	[illegible]	-	[illegible] Europe
D-MARKS							
Republic of Finland	2bn	[illegible]	(e)R	[illegible]	0.30R	(e) [illegible]	[illegible]
WestLB [illegible]	1bn	[illegible]	[illegible]	[illegible]	[illegible]	-	WestLB
YEN							
Nordic [illegible]	30bn	[illegible]	[illegible]	Jan.1999	undisd.	-	[illegible] Europe
EBRD‡	20bn	(f)	[illegible]	[illegible]	[illegible]	-	[illegible] Europe
FRENCH [illegible]							
SNCF(g)	[illegible]	6.00	[illegible]	[illegible]	[illegible]	+17 [illegible]	[illegible]
ECUS							
Eurofima	225	[illegible]	[illegible]	[illegible]	[illegible]	-	[illegible] Corp.
CANADIAN [illegible]							
KfW Intl. [illegible]	250	6.50	[illegible]	[illegible]	[illegible]	+12 (7½%-03)	BZW/ Daiwa [illegible]
ITALIAN LIRE							
European Investment Bank	1bn	[illegible]	[illegible]	[illegible]	[illegible]	-	BCI/Roma/Credito/San [illegible]
Bayerische [illegible]	[illegible]	7.50	101.60	[illegible]	[illegible]	-	[illegible] London
SWISS FRANCS							
City of [illegible]	200	[illegible]	[illegible]	[illegible]	-	-	UBS
Eurofima(h)	150	[illegible]	[illegible]	[illegible]	-	-	UBS

Final terms and non-callable unless stated. The yield spread (over relevant government bond) at launch is supplied by the lead manager. φWith equity warrants. ‡Floating rate note. R: fixed re-offer price; fees are shown at the re-offer level. a) Fungible with outstanding $500m. Plus 86 days accrued. b) Fixing: 18/1/94. c) Coupon: 3-mth Libor +¾%. Interest only accrues on days 3-mth Libor falls within following ranges: 1st 6 mths 3-4%, 2nd 6 mths 3-4¾%, 3rd 6 mths 3-5½%, 4th 6 mths 3-6%. d) Fixing: 19/1/94. e) Priced today at 21-23bp over Bunds. f) Coupon: 6-mth Libor +½%. g) International tranche of FFr3bn domestic issue. Fungible with outstanding FFr7bn. Plus 60 days accrued. Spread is over interpolated yield curve. h) Denom.: SFr5,000 + 75 2-yr wrts. 60 wrts entitle holder to buy 1 Sandoz registered share at SFr4,160.

Yen feature protects convertible Fuji paper

By Ian Rodger in Zurich

A SFr40m convertible [illegible] issue for Fuji Electronics contains a feature [illegible] protect investors against rises in the [illegible] of [illegible]

Yamaichi Bank (Switzerland), the lead manager, [illegible] introduced a formula for adjusting the [illegible] rate [illegible] when converting the [illegible] franc nominal [illegible] the notes into Fuji's yen denominated [illegible]

The formula [illegible] the [illegible] introduced three [illegible] Yamaichi in [illegible] to declining Japanese share prices. This provided for [illegible] downward revision of the conversion price on equity related bond issues.

It [illegible] so-called setting date, usually [illegible] after the issue, [illegible] which the conversion price could be revised downward if the company's [illegible] had declined by [illegible] specified amount.

Under the new feature, for Japanese issuers, [illegible] upward revision of the yen exchange [illegible] will [illegible] place on the setting date, but only if the conversion price [illegible] downward at that time and if [illegible] yen exchange [illegible] it [illegible] time of the bond's issue (the [illegible] constant rate).

For other issuers, the upward [illegible] the currency exchange rate would [illegible] place independently [illegible] revision [illegible] the conversion price.

Yamaichi intends that the maximum potential exchange [illegible] adjustment should be [illegible] than 10 [illegible]. In the Fuji [illegible], it [illegible] 9.3 per [illegible]. The potential conversion price adjustments [illegible] normally [illegible] per [illegible]

Long gilts weaken as inflation and supply worries resurface

By Sara Webb in London and Patrick Harverson in New York

Inflation and supply [illegible] depressed the UK government bond market yesterday, pushing prices down by between half and three-quarters of a point at the long end.

The release of a survey by Dun & Bradstreet, the business information [illegible], yesterday [illegible] jitters by indicating [illegible] sharp [illegible] in the number [illegible] managing directors [illegible] expect [illegible] raise prices in order to restore profit margins.

"The news rather spooked the gilt market," said Mr Kit Juckes, bond analyst [illegible] S. G. Warburg Securities, adding that the survey had led to some consternation over whether inflation would [illegible] up again.

On the supply front, the gilt [illegible] expects the [illegible] of England to announce its next gilt auction soon, with dealers predicting that the new stock will be [illegible] long-dated one.

■ A [illegible] for Germany's chemical industry workers [illegible] firm [illegible] government [illegible] yesterday, although [illegible] later [illegible] down [illegible] lower [illegible] the day.

The chemical industry union agreed to [illegible] 2 per cent pay rise [illegible] 1994. "This [illegible] the [illegible] of [illegible] main [illegible] quite good – if [illegible] in this vein it [illegible] good [illegible] inflation prospects," [illegible] dealer.

The [illegible] contract opened [illegible] 101.12 [illegible] in a [illegible] of [illegible] before ending [illegible] around 101.04.

■ Italian government [illegible] opened on [illegible] following Monday's [illegible] prices, but bounced [illegible] up to [illegible] day nearly [illegible] a point higher.

Dealers [illegible] a [illegible] in German government [illegible] prices prompted [illegible] recovery [illegible] Italian bonds. The [illegible] market [illegible] on Monday due [illegible] political uncertainties [illegible] dismay [illegible] delay [illegible] long-awaited interest rate cut. The Liffe [illegible] futures contract settled up 0.43 at 117.53.

GOVERNMENT BONDS

Traders said the market would [illegible] focusing on the political situation today [illegible] Mr Carlo Ciampi, [illegible] prime minister, expected [illegible] a vote of no-confidence in parliament.

Among the other high-yielding markets, Spain saw strong buying [illegible] from foreign investors [illegible] ended the day higher. The release of [illegible] ployment figures showing [illegible] slight increase [illegible] the jobless [illegible] at 17.5 per [illegible] in December, against 17.4 per cent [illegible] previous month, [illegible] little impact on the market, dealers said, [illegible] they were roughly in [illegible] expectations.

■ Japanese government bond prices declined on the back of new supply in the four-year area and receding hopes for an imminent rate cut.

The stock market's recent strength [illegible] led bond market participants to push back their hopes of an easing by the Bank of Japan, [illegible]

[illegible] supply in [illegible] four-year [illegible] help market sentiment yesterday. The Finance Ministry [illegible] Y735.7bn of [illegible] four-year [illegible] at [illegible] price [illegible] to yield [illegible] per [illegible]. However, [illegible] did not go particularly well.

The key [illegible] contract, which [illegible] 118.30 [illegible] Monday, opened yesterday [illegible] and [illegible] in a [illegible] from 117.99 [illegible] before closing [illegible]

■ US Treasury prices [illegible] little changed in light trading yesterday morning [illegible] dealers and investors patiently awaited the week's inflation data.

By midday the benchmark 30-year government [illegible] was up ⅛ at 100⅛, [illegible] yield [illegible] per cent. The two-year [illegible] also barely moved, [illegible] up just [illegible] at 100[illegible], yielding [illegible] per cent.

In [illegible] of important economic news, trading was subdued from [illegible] start, [illegible] the market's attention [illegible] clearly [illegible] ber [illegible] data, which [illegible] due [illegible] today and [illegible]

Analysts expect [illegible] monthly producer price [illegible] show a decline [illegible] 0.1 per cent, [illegible] the [illegible] price index [illegible] of [illegible] per cent.

WORLD BOND PRICES

BENCHMARK GOVERNMENT BONDS

		Coupon	Red Date	Price	Day's change	Yield	Week ago	Month ago
Australia		9.500	08/04	120.2700	+0.350	6.39	6.76	6.75
Belgium		9.000	03/03	116.6000	-0.270	6.51	6.48	6.81
Canada *		7.500	12/03	107.4000	+0.300	6.47	6.69	6.64
Denmark		7.000	12/04	107.9500	+0.390	5.99	6.1[illegible]	6.23
France	BTAN	8.500	05/98	110.1100	-0.010	4.95	6.03	6.06
	OAT	6.750	10/03	108.0100	+0.060	5.66	5.63	5.90
Germany		6.000	09/03	102.9600	-0.010	5.59	5.56	5.79
Italy		9.000	10/03	102.5000	+0.340	8.61†	8.49	8.76
Japan	No 119	4.800	06/99	112.1440	+0.370	2.29	2.37	2.49
	No 157	4.500	06/03	111.1890	+0.160	2.95	3.08	3.19
Netherlands		6.750	01/04	101.1400	-0.020	5.60	5.59	5.70
Spain		10.500	10/03	115.3200	+0.020	8.16	8.15	8.31
UK Gilts		9.750	01/98	114-01	-7/32	5.75	5.70	5.66
		6.750	11/04	103-22	-20/32	6.23	6.21	6.36
		9.000	10/08	122-27	-24/32	6.56	6.49	6.63
US Treasury *		5.750	08/03	100-27	+4/32	5.63	5.86	5.64
		6.250	08/23	100-02	+3/32	6.25	6.38	6.14
ECU (French Govt)		6.000	04/04	100.9600	+0.060	5.87	5.98	6.15

London closing, *New York mid-day. Yields: Local market standard.
† Gross annual yield (including withholding tax at 12.5 per cent payable by nonresidents)
Prices: US, UK in 32nds, others in decimal

BOND FUTURES AND OPTIONS

France

■ NOTIONAL FRENCH BOND FUTURES (MATIF)

	Open	Sett price	Change	High	Low	Est. vol.	Open int.
Mar	130.74	[illegible]	+0.14	[illegible]	[illegible]	[illegible]	[illegible]
Jun	130.24	[illegible]	+0.14	130.50	130.24	[illegible]	[illegible]
Sep	129.35	129.48	[illegible]	[illegible]	[illegible]	[illegible]	638

■ LONG TERM FRENCH BOND OPTIONS (MATIF)

Strike Price	Calls Feb	Calls Mar	Calls Jun	Puts Feb	Puts Mar	Puts Jun
128	0.96	-	-	-	0.09	[illegible]
[illegible]	[illegible]	2.08	-	0.04	0.19	[illegible]
130	0.06	1.28	-	0.10	[illegible]	[illegible]
131	-	0.66	1.02	0.44	[illegible]	-
132	-	[illegible]	[illegible]	-	-	-
[illegible]	-	-	0.36	-	-	-

Est. [illegible] Puts 40,008. Previous day's open [illegible] Calls 21[illegible]

Germany

■ NOTIONAL GERMAN BUND FUTURES (LIFFE)* DM250,000 100ths of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	101.12	101.04	-0.05	[illegible]	[illegible]	122389	[illegible]
Jun	101.02	100.99	-0.05	[illegible]	[illegible]	177	2060

■ BUND FUTURES OPTIONS (LIFFE) [illegible] points of [illegible]

Strike Price	Calls Mar	Calls Jun	Puts Mar	Puts Jun
10100	0.56	0.98	0.52	0.99
10150	0.34	0.75	0.80	[illegible]
10200	0.20	0.57	1.16	[illegible]

Est. vol. total, Calls 24180 Puts 19813. Previous day's open int., Calls 188140 Puts 113651

■ NOTIONAL MEDIUM TERM GERMAN GOVT. BOND (BOBL)(LIFFE)* DM250,000 100ths of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	103.53	103.47	[illegible]	103.54	[illegible]	400	[illegible]

Italy

■ NOTIONAL ITALIAN GOVT. BOND (BTP) FUTURES (LIFFE)* Lira 200m 100ths of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	[illegible]	117.53	+0.43	[illegible]	116.66	62742	83880
Jun	[illegible]	117.59	[illegible]	117.65	116.95	335	[illegible]

■ ITALIAN GOVT. BOND (BTP) FUTURES OPTIONS (LIFFE) Lira200m 100ths of 100%

Strike Price	Calls Mar	Calls [illegible]	Puts Mar	Puts Jun
11750	1.51	2.78	1.48	2.69
11800	1.26	2.54	1.73	2.95
11850	1.05	[illegible]	2.02	3.22

Est. vol. total, Calls 3270 Puts 1357. Previous day's open int., Calls 39747 Puts 40282

Spain

■ NOTIONAL SPANISH BOND FUTURES (MEFF)

	Open	Sett price	Change	High	Low	Est. vol.	Open int.
Mar	104.71	105.00	+0.17	[illegible]	[illegible]	36,451	84,444
Jun	[illegible]	[illegible]	+0.30	105.09	[illegible]	[illegible]	[illegible]

UK

■ NOTIONAL UK GILT FUTURES (LIFFE)* £50,000 32nds of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	[illegible]	118-29	-0-20	119-16	118-22	[illegible]	[illegible]
Jun		118-07	[illegible]			0	139

■ LONG GILT FUTURES OPTIONS (LIFFE) £50,000 64ths of 100%

Strike Price	Calls Mar	Calls Jun	Puts Mar	Puts Jun
[illegible]	1-41	[illegible]	0-47	1-58
119	1-04	[illegible]	1-10	[illegible]
120	0-41	1-15	1-47	3-01

Est. vol. total, Calls 4791 Puts 8897. Previous day's open int., Calls [illegible] Puts 46369

Ecu

■ ECU BOND FUTURES (MATIF)

	Open	Sett price	Change	High	Low	Est. vol.	Open int.
Mar	122.02	121.90	-0.12	122.08	121.88	4,194	13,063
Jun	-	[illegible]	[illegible]	-	-	-	60

US

■ US TREASURY BOND FUTURES (CBT) $100,000 32nds of 100%

	Open	Latest	Change	High	Low	Est. vol.	Open int.
[illegible]	116-10	116-13	+0-02	116-19	115-30	[illegible]	[illegible]
[illegible]	115-06	115-10	[illegible]	115-16	114-29	[illegible]	15,361
[illegible]	114-12	114-10	[illegible]	114-14	114-10	1,816	19,725

Japan

■ [illegible] LONG TERM JAPANESE GOVT. BOND FUTURES (LIFFE) Y100m 100ths of 100%

	Open	Close	Change	High	Low	Est. vol	Open int.
Mar	[illegible]			118.07	[illegible]	2088	0

* LIFFE contracts traded on APT. All Open interest figs. are for previous day.

FT-ACTUARIES FIXED INTEREST INDICES

Price indices UK Gilts	Tue Jan 11	Day's change %	Mon Jan 10	[illegible]	xd adj. ytd		Low coupon yield Jan 11	Jan [illegible]	Yr. ago	Medium coupon yield Jan 11	Jan [illegible]	Yr. ago	High coupon yield Jan 11	Jan 10	Yr. ago
1 Up to 5 years (25)	129.82	-0.08	129.93	2.17	0.00	5 yrs	5.69	5.66	7.11	[illegible]	5.88	7.55	[illegible]	5.99	7.78
2 5-15 [illegible] (22)	162.57	-0.27	163.02	2.49	0.10	15 yrs	6.42	6.37	8.37	6.54	6.50	[illegible]	6.76	6.72	[illegible]
3 [illegible] 15 years (8)	188.51	-0.36	189.19	2.26	0.00	20 yrs	6.53	6.49	8.83	6.59	6.55	9.00	6.78	6.74	9.17
4 Irredeemables (6)	225.32	-0.36	226.13	1.67	[illegible]	Irred.†	6.67	6.64	[illegible]						
5 All stocks (61)	157.10	-0.23	157.45	2.36	0.06										

Index-linked							Inflation [illegible] Jan 11	Jan [illegible]	Yr. ago	[illegible] Jan 11	Jan 10	Yr. ago
6 [illegible] to 5 years (2)	191.53	+0.04	191.45	1.38	0.00	Up to 5 yrs	[illegible]	2.16	2.75	1.35	1.35	1.97
7 Over 5 years (11)	191.23	-0.18	191.57	0.59	0.30	[illegible] 5 yrs	[illegible]	2.95	[illegible]	2.79	2.78	3.66
[illegible] All stocks (13)	190.32	-0.15	190.62	0.67	0.26							

Debentures and Loans						5 year yield Jan 11	Jan [illegible]	Yr. ago	15 year yield Jan 11	Jan 10	Yr. ago	25 year yield Jan 11	Jan 10	Yr. ago
[illegible] Debs & Loans (65)	151.61	-0.16	151.85	2.49	0.11	7.23	7.19	[illegible]	7.57	7.55	[illegible]	7.70	[illegible]	[illegible]

Average gross redemption yields are shown above. Coupon Bands: Low: 0%-7¾%; Medium: 8%-10¾%; High: 11% and over. † Flat yield. ytd Year to date.

FT FIXED INTEREST INDICES

	Jan 11	Jan 10	Jan 7	Jan 6	Jan 5	Yr ago	High*	Low*
Govt. Secs. (UK)	106.32	106.57	106.65	[illegible]	106.57	[illegible]	107.60	93.28
Fixed interest	132.16	132.24	[illegible]	[illegible]	131.15	[illegible]	132.24	108.67

* for 1993/94. Government Securities high since compilation: 127.40 (9/1/35), low 49.18 (3/1/75). Fixed interest high since compilation: 132.24 (10/1/94), low 50.53 (3/1/75). Basis 100: Government Securities 15/10/26 and Fixed Interest 1928. SE activity indices rebased 1974

GILT EDGED ACTIVITY INDICES

	Jan 10	Jan [illegible]	Jan 6	Jan [illegible]	Jan 4
[illegible]	128.3	86.9	90.5	74.2	73.7
5-day [illegible]	90.7	72.0	66.9	59.0	51.5

[illegible] INTERNATIONAL [illegible] SERVICE

Listed are the latest international bonds for which there is an adequate secondary market. Latest prices at 5:55 pm on January [illegible]

	Issued	Bid	Offer	Chg.	Yield
U.S. DOLLAR STRAIGHTS					
Abbey Natl Treasury 6½ 03	1000	101½	101⅞	+⅛	6.38
AlbertaProvince 8⅜ 96	600	108⅜	108¾	-⅛	[illegible]
Austria 8½ 00	400	114⅝	114⅞	+⅛	[illegible]
United Kingdom 7¼ 97	5500	107	107		5.04
Volkswagen Intl Fin 7 03	1000	104½	105	+¼	6.34
World Bank 0 15	2000	28⅝	29	+⅛	[illegible]
World Bank 5⅞ 98	300	[illegible]	[illegible]		[illegible]
Alliance Leics 11¼ 97 £	100	115½	115⅞	-⅛	6.06
British Gas 12¼ [illegible] £	300	107⅜	108		5.33
British Land 8⅞ 23 £	[illegible]	[illegible]	[illegible]	-⅛	8.53
EIB 10 97 £	637	111½	111⅞	-¼	[illegible]

[illegible]

UK [illegible] PRICES

[illegible]

Restructuring completed: 'we're just [redacted] normal boring company now'

Stakis recovers with £10.4m

By James Buxton, Scottish Correspondent

Stakis, [redacted] hotels and casinos group, confirmed [redacted] in 1993 by making pre-tax profits [redacted] £10.4m against a [redacted] of £47.4m last time, when [redacted] figure was hit by an exceptional provision of £47.7m.

After [redacted] years of restructuring, [redacted] and a capital injection, the Glasgow-based group is [redacted] "a normal [redacted], boring even," [redacted] Mr David Michels, chief executive.

Thanks [redacted] last year's [redacted] rights [redacted] and the [redacted] nursing homes, [redacted] fell to £117m [redacted] October 3 year-end against £197m, cutting gearing from 77 per cent to [redacted] per cent.

Sir Lewis Robertson, chairman, [redacted] the results owed "little [redacted] the market [redacted] virtually everything to [redacted] group's own endeavours."

Operating profits [redacted] continuing [redacted] increased by [redacted].

Hotels increased operating profit by [redacted] £19.6m and [redacted] an [redacted] of 69 per [redacted]. Room [redacted] slightly.

The company now has 31 hotels following its purchase [redacted] hotel in York for [redacted].

[redacted] operating profit by [redacted] to [redacted]. Business [redacted] slightly up, particularly in [redacted] south [redacted] Leeds, [redacted] the division enjoyed [redacted] benefit [redacted] tighter [redacted]. Three casinos [redacted] acquired in the Midlands.

Turnover on continuing business [redacted] was [redacted] in the [redacted] period (£124m for [redacted] weeks).

Discontinued [redacted] turnover [redacted] (£30m).

Earnings per share [redacted] out [redacted] 2.81p (losses [redacted] 17.38p).

There is [redacted] recommended final [redacted] of 0.55p. The interim [redacted] restored during [redacted] at 0.45p, making a total [redacted] 1p (0.45p).

■ COMMENT

[redacted] now a well-run [redacted]pany. [redacted] profit increase [redacted] impressive given [redacted] little help from [redacted] economic upturn, as shown by [redacted] mod[redacted] growth [redacted] the 53 weeks. Since [redacted] year end [redacted] rates and occupancy have been rising slightly, [redacted] a good [redacted] quarter. After attracting [redacted] disproportionate [redacted] of media [redacted] for [redacted] Stakis [redacted] it wants [redacted] boring. [redacted] a pity [redacted] meant passing up opportunities [redacted] the many [redacted] now on [redacted] market. Analysts are looking for [redacted] pre-tax profit [redacted] 1994, putting [redacted] shares on [redacted] prospective multiple of [redacted] 18, [redacted] for [redacted] year. [redacted] share price, up 4p to 75p yesterday, already reflects much of [redacted] stock's [redacted]overy.

Elonex sets up software alliance

By Alan Cane

Elonex, the privately-owned UK personal computer manufacturer, [redacted] a strate[redacted] alliance [redacted] Next, [redacted] software [redacted] led by [redacted] Steven [redacted] founder [redacted] Apple Computer.

It [redacted] agreed [redacted] in Europe a [redacted] of specially [redacted] pre-loaded with [redacted] NextStep software. NextStep is designed [redacted] easier for software developers [redacted] commercial companies [redacted] business software.

The new Elonex [redacted] developed [redacted] California [redacted] and development [redacted] in conjunction [redacted] engineers. They will [redacted] typically [redacted] £2,775 [redacted] VAT.

[redacted] of [redacted] joint [redacted] is [redacted] a volume [redacted] for NextStep [redacted] Europe. The [redacted] companies hope [redacted] 20,000 systems [redacted] Europe this year, chiefly [redacted] services, legal ser[redacted] telecommunications [redacted].

[redacted] already [redacted] of alliances [redacted]turers [redacted] US including Dell, the [redacted] largest US [redacted] maker, [redacted] none in Europe [redacted] now.

Mr [redacted] Wetrin, [redacted] founder, [redacted] open [redacted] for [redacted]nies: "NextStep [redacted] huge cost-saving potential [redacted] developers [redacted] build complex applications quickly," [redacted] said.

NextStep [redacted] recognised [redacted] pioneering the [redacted] "object oriented" software development in [redacted] software [redacted] can [redacted] together [redacted] plastic [redacted] and again.

Howden fan integration prompts 11p share rise

By [redacted] Bolger

[redacted] Group [redacted] 11p [redacted] yesterday [redacted] the Glasgow-based engineering [redacted] successfully integrated [redacted] large fan companies bought [redacted] year in an attempt [redacted] diversify from large-scale contracting work.

The group spent £40m on acquiring Novenco, [redacted] Danish [redacted] industrial [redacted] and [redacted] Forge, [redacted] fan and air-handling business, following heavy [redacted] on a Danish tunnelling contract which [redacted] in Howden's [redacted] price in [redacted].

The group [redacted] yesterday: "The [redacted] from [redacted] reorganisation of our European [redacted] American [redacted] companies [redacted] encouraging [redacted] a firm [redacted] for future growth [redacted] now [redacted] put in place."

Pre-tax profits increased [redacted] to [redacted] in the six months to October 31, although [redacted] previous figure was reduced by an exceptional charge [redacted] £2.46m – the final loss on the [redacted] contract.

Turnover increased from [redacted] to £170.5m. Earnings [redacted] (1.8p); [redacted] interim dividend [redacted] 0.82p (0.75p).

Mr Johnny Johnsen, chief executive, said rationalisation of the [redacted] extremely well, with 650 jobs having been shed in North America, [redacted] UK and Denmark. Another 200 jobs would go at Wirth, [redacted] group's loss-making [redacted] drilling equip[redacted] subsidiary.

[redacted] reductions, coupled with [redacted] order pros[redacted] the [redacted] the year, [redacted] expected [redacted] return Wirth to profitability next year.

The board [redacted] it believed that further [redacted] will be made in [redacted] second half, although it [redacted] the [redacted] the group's various world markets [redacted] recover from recession.

■ COMMENT

[redacted] price rise reflected market relief that Howden's strategy [redacted] to [redacted] working out as promised. The group claims a dominant position in fans and, having trimmed costs, should benefit from any upturn [redacted] main markets. Wirth [redacted] poised [redacted] significant orders in [redacted]. The 22 [redacted] cent [redacted] earnings will not be maintained [redacted] the year-end, when earnings will [redacted] diluted by [redacted] 62m [redacted] issued last year, but a 10 [redacted] advance [redacted]. On [redacted] pre[redacted] profits [redacted] £28m, [redacted] on a prospective multiple of 15, or [redacted] 13 per cent discount [redacted] market. [redacted] survived [redacted] Danish debacle, Howden [redacted] unlikely [redacted] do anything rash and at this [redacted] a [redacted]sonably priced [redacted] play.

Extension for Queens Moat petition

[redacted] Urry

Mr Dennis Woodhams, a dissident Queens Moat Houses shareholder, [redacted] yesterday given [redacted] further 14 days to present [redacted] Companies Court to back [redacted] petition [redacted] ber under S459 of [redacted] Companies Act.

Mr Woodhams complained that [redacted] had been given [redacted] information [redacted] was prejudicing [redacted] of [redacted].

In [redacted] affidavit Mr Andrew Coppel, chief [redacted] QMH, [redacted] the petition [redacted] premature as [redacted] group could not give [redacted] information until it [redacted] agreed [redacted] planned £1.3bn [redacted] refinancing.

QMH regards Mr Woodhams as [redacted] diversion running up legal [redacted].

The [redacted] a full hearing of [redacted] petition [redacted] delay, although this [redacted] not expected [redacted] place [redacted] months.

Watson & Philip plans store expansion after 21% gain

By Neil Buckley

[redacted] & Philip, the retail [redacted] plans [redacted] expand its convenience store [redacted] by at [redacted] in [redacted] further move [redacted] from [redacted] wholesaling [redacted].

[redacted] as [redacted] reported [redacted] in pre-tax profits for [redacted] year [redacted] £10.3m to £12.5m. [redacted] leapt 33p [redacted] 343p.

The company [redacted] gone through [redacted] changes [redacted] repositioning [redacted] as primarily a [redacted] than [redacted].

[redacted] important [redacted] the £21m acquisition [redacted] Circle [redacted] chain [redacted] February.

Circle [redacted] advanced systems [redacted] extended into Allday, W&P's existing convenience [redacted] business, [redacted] both groups integrated into a reorganised [redacted] network.

In October, [redacted] sub-contracted [redacted] Spar [redacted] VG supply

[redacted] Bremner, new [redacted]

business to four other whole[redacted] in a [redacted] worth [redacted].

The [redacted] hopes to [redacted] 50 [redacted] 316-strong [redacted] by [redacted] end [redacted] October, as [redacted] franchise stores, [redacted] may increase the expansion rate to [redacted] next year.

Group turnover increased from [redacted] to [redacted] thanks largely to [redacted] 36-week contribution from Circle K.

[redacted] sales [redacted] than dou[redacted] £154.7m, with profits increasing more [redacted] four-fold [redacted].

Turnover at the [redacted] division, [redacted] supplies hotels, restaurants and institutions, increased [redacted] per cent to £81m, [redacted] profits [redacted] doubled [redacted] £1.5m [redacted] the gross margin [redacted] from [redacted] move [redacted] of [redacted] supply.

However, profits [redacted] 30 per cent at the cash [redacted] carry business [redacted] £2.2m on sales down 8.5 [redacted].

Earnings increased 20 per cent [redacted] share, [redacted] the proposed [redacted] dividend [redacted] 9.9p, lifting [redacted] total 7.5 per cent to 14.3p.

■ COMMENT

The market's enthusiastic response [redacted] the [redacted] from [redacted] may be justified. The company sees a gap in the mar[redacted] for well-run and well-positioned convenience stores, providing for top-up purchases between superstore visits, [redacted] backed by [redacted] systems [redacted] distribution networks [redacted] grocery multiples. The impressive performance of Circle [redacted] since [redacted] acquisition [redacted] port that claim. Convenience store expansion should also make problems in the cash [redacted] carry chain, whose small-business customers have [redacted] decimated by recession [redacted] the expansion of multiples and discounters, an irrelevance. Forecasts of £14.5m for 1994 put [redacted] on a prospective p/e of 12, and at [redacted] prospective yield of 5.5 [redacted] they look [redacted]tive.

VHE matches its flotation forecast

VHE Holdings yesterday reported profits of £1.77m for the six months to September 30 – in line [redacted] expectations at the specialist contractor's flotation in that [redacted].

The shares, placed [redacted] 115p, rose 11p yesterday to 135p.

[redacted] Barnsley-based group specialises in [redacted] regeneration, mainly for local authorities and construction companies, and civil engineering.

Mr [redacted] Waldron, chair[redacted], said current trading remains "very profitable although traditionally [redacted] winter is our quieter period". Since the flotation, new [redacted] some £6.5m [redacted] been secured with [redacted] enquiries continuing [redacted] "record levels".

[redacted] pre-tax [redacted] – which compared [redacted] profits [redacted] £1.5m last [redacted] – [redacted] on [redacted] continuing operations of [redacted]. Cash balances [redacted] the period-end amounted to £5m [redacted] interest receivable [redacted] £157,000 comparing with payable [redacted].

[redacted] dividend of 1.1p is payable [redacted] (3.3p) per share.

Titaghur turns to New York in listing quest

By David [redacted]

Titaghur, [redacted] long-established jute manufacturer [redacted] London listing in [redacted] York-based [redacted]daq, where it hopes to be listed in the spring.

The [redacted], which runs jute mills in India, incurred lower [redacted] in [redacted] year [redacted] against £4.6m, taking [redacted] deficit [redacted] than [redacted].

Mr Reg Brealey, the chairman who [redacted] acquitted of charges [redacted] insider dealing in 1991, [redacted] in his [redacted] shareholders [redacted] of [redacted] trading [redacted] could [redacted] to [redacted] of trading and [redacted] "due [redacted] shortage of [redacted] materials [redacted] massive increase [redacted] their [redacted] over [redacted] harvest purchase price".

A [redacted] (£34m) [redacted] linked with [redacted] listing [redacted] currently under negotiation in [redacted] York, he [redacted]. The money would [redacted] used, [redacted] other things, [redacted] pay for [redacted] facili[redacted] and Glasgow [redacted] supply [redacted] in the [redacted] Europe and [redacted] off [redacted] of capital [redacted].

The shares, worth [redacted] their peak in [redacted] trading in London [redacted] a [redacted] bargain [redacted] yesterday.

The [redacted] expecting "significant improvements" in [redacted] trading position. [redacted] installed [redacted] management [redacted] its labour [redacted] to 18,000 by [redacted] replacing [redacted] workers who [redacted] has agreed [redacted] the [redacted] a [redacted] number [redacted] workers [redacted] of jute [redacted] nearly 50 to 40, which [redacted] lead [redacted] loss of [redacted] further 2,200 jobs.

The annual meeting [redacted] place in London on January 31.

[redacted] Observer

Production problems hit Magellan

By Tim Burt

Production problems at Magellan [redacted] yesterday forced [redacted] lingerie and swim[redacted] manufacturer to [redacted] a profits warning which [redacted] the [redacted] price tumbling 44p [redacted].

[redacted] said [redacted] unable [redacted] demand from [redacted], including its main [redacted] Marks and Spencer, [redacted] failed [redacted] recruit [redacted] workers [redacted] its Midlands and [redacted] coast [redacted] problems with [redacted] raw material supplies.

[redacted] Charles Ryder, [redacted] executive, [redacted] in the year to December [redacted] were [redacted] expectations in spite [redacted] strong demand.

"This frustrating [redacted] inevitably had a very sig[redacted] impact on profitability because of the high operational gearing of the business," he [redacted].

The profits warning is [redacted] blow for the company, formerly known [redacted] Industries, which only returned [redacted] black in 1992 following extensive restructuring. In September, it reported first-half 1993 pre-tax losses of £174,000 (restated £93,000).

Mr Ryder said Magellan was embarking on "[redacted]" to recruit more [redacted] and to streamline its management structure.

He [redacted] forecast stronger sales in 1994 after changes to improve productivity and overcome supply problems.

Alpha Airports expects 19% lift to £20.6m

By David Blackwell

Alpha Airports Group, [redacted] is coming [redacted] this month, yesterday forecast [redacted] cent [redacted] in operating profits for the [redacted] to January 31.

The airport services division of Forte [redacted] in its pathfinder prospectus [redacted] operating profits would [redacted] £20.6m (£17.3m) [redacted] turnover of [redacted] (£404.5m).

Alpha's [redacted] is [redacted] almost equally between catering for airlines and retail [redacted]ing [redacted] airports. It expects profits [redacted] £14.7m (£13.1m) from [redacted] catering [redacted] on turnover of £210.1m (£197.5m). The retail [redacted] turnover [redacted] expected to [redacted] (£207m) with operating profits [redacted] £5.9m (£4.2m).

[redacted] expected [redacted] up by [redacted] a further 25 [redacted] going [redacted] retail buyers [redacted] retaining [redacted] remaining 25 per [redacted] capitalisation is expected to be about [redacted].

[redacted] Rocco Forte, chairman, [redacted] the flotation [redacted] further step in [redacted] implementation of its strategy of concentration [redacted] the core hotel and [redacted].

Mr Paul Harrison, chief executive [redacted] Alpha, said that the [redacted] give [redacted] a springboard [redacted] development just [redacted] its [redacted] beginning to rise. [redacted] is forecasting a growth [redacted] per cent a [redacted] UK [redacted] until at [redacted] 2005.

Alpha also announced the appointment of Mr Rodney Galpin as [redacted] chairman. Mr Galpin, was chairman and [redacted] executive [redacted] Standard Chartered from 1988 [redacted].

UBS are [redacted] the flotation.

Savills benefits from return of confidence

By Simon Davies

Savills, the [redacted] agent [redacted] surveyor, revealed [redacted] of [redacted] further recovery in confidence in London's [redacted] property market when it announced interim pre-tax profits of £1.19m, against [redacted].

Turnover for the six [redacted] to October 31 rose 20 per cent to £14.3m (£11.9m), with improved performances from all [redacted] businesses.

Mr George Inge, chairman, said the most noticeable improvements [redacted] in [redacted] London [redacted] business [redacted] in commercial investment, [redacted] was "more opti[redacted] than [redacted] has [redacted] several years".

Savills is holding £5m [redacted] cash [redacted] looking for [redacted]tunities to expand. One area of focus [redacted] likely to [redacted] property financing. It [redacted] Savills Finance Holdings [redacted] August, [redacted] should [redacted] profitable [redacted] first year. Mr Inge described it [redacted] an [redacted] of great potential.

Operating profit from commercial property [redacted] than [redacted] (£250,000), while agricultural [redacted] residential property contributed [redacted] (£176,000 loss).

Group earnings [redacted] share was 2.1p (0.03p) [redacted] directors announced an [redacted] div[redacted] 0.75p.

All-round rise puts Jacques Vert at £0.8m

By Nigel Clark

[redacted] all-round improvement with the [redacted] division [redacted]ing [redacted] profits [redacted] behind an increase from [redacted] in interim pre-tax profits at Jacques Vert, the [redacted] supplier.

Mr Alan Green and Mr Jack Cynamon, joint chairman, said that spring/summer orders for [redacted] Jacques Vert and [redacted] Vert Plus [redacted].

Turnover [redacted] was [redacted] £19.5m, which included [redacted] from [redacted]tinued [redacted].

[redacted] property revaluation resulted in [redacted] charge [redacted] line of [redacted], however, a £255,000 turnround in exceptional items. Last year there was a charge [redacted] activi[redacted] discontinued [redacted] £215,000 [redacted] loss on disposal [redacted] by a previous year provision [redacted] £170,000.

Borrowings [redacted] halved from [redacted] £1.7m. [redacted] charges fell [redacted] £156,000 (£273,000). The company said it [redacted] year [redacted] had [redacted] significant fall. Two [redacted].

After a tax charge [redacted] £381,000, against [redacted] of £200,000, earnings [redacted] (4.2p). The interim dividend is raised [redacted] (1p).

Singlam helps Hawtin jump to £2.17m

[redacted] by a good performance from Singlam Fabrics, which contributed £1m, pre-tax prof[redacted] of Hawtin, [redacted] south Wales-[redacted] leisure, fitness, [redacted] and property group, jumped from [redacted] to £2.17m for [redacted] September [redacted].

Turnover [redacted] down slightly [redacted] but operating costs fell from [redacted] to [redacted].

Comparative figures have [redacted] restated under FRS 3.

Earnings [redacted] were 2.2p (0.66p) [redacted] the [redacted] is stepped [redacted] 0.95p (0.89p) [redacted] a proposed [redacted] 0.7p.

Tribune cuts deficit to I£463,000

[redacted] Newspapers, [redacted] printing [redacted] publishing [redacted] to profit [redacted] the operating [redacted] in the [redacted] June [redacted].

Operating profit [redacted] to [redacted] including a contribution [redacted] Tribune [redacted]. Charges of I£519,000 (I£259,000) emanating from the group's substantial debt burden, however, resulted in [redacted] pre-tax deficit of I£463,000 (I£1.15m).

[redacted] in I£526,000 from [redacted] acquisition, turnover [redacted] ahead [redacted] I£6.43m (I£6.29m). [redacted] from [redacted] to 16.2p.

PSIT advances 38% to £5.38m at midway

By [redacted] Houlder, Property Correspondent

PSIT, the property investor formerly known as Property Security Investment Trust, yesterday [redacted] 38 [redacted] in pre-tax profits from [redacted] to [redacted] for [redacted] six [redacted] to end-September.

[redacted] company [redacted] its [redacted] investment [redacted] progressed satisfactorily. "Val[redacted] improved [redacted] the yield [redacted] property [redacted] more favourably with other [redacted] of [redacted] are now signs [redacted] increasing [redacted] enquiries," [redacted].

Part [redacted] company's land in Florida, which was required for [redacted] new highway, was [redacted]pulsorily acquired which would help [redacted] full potential of the site. The extension to the District shopping centre in Australia had been formally opened and was now making a good contribution to income.

[redacted] rents [redacted] fell from [redacted] £4.56m.

Earnings per share rose from 2.13p to 2.99p. The interim dividend [redacted] up from 1.5p to 1.75p.

Storehouse and Laura Ashley sales increase

By Neil Buckley

[redacted] enjoyed [redacted] good Christmas came yesterday from Storehouse, [redacted] 13 [redacted] on [redacted] before, and Laura Ashley, which said sales were up 18 per [redacted].

[redacted] Edelman, chief [redacted] of Storehouse, said [redacted] chains [redacted] achieved strong [redacted] in [redacted] six [redacted] Christmas, leading [redacted] an [redacted] like-for-like [redacted] – excluding [redacted] openings and closures – [redacted] 13 [redacted] in [redacted] mas shop, [redacted] children's clothing [redacted] lingerie [redacted] particularly strong.

[redacted] he [redacted] margins were [redacted] slightly as a result of "[redacted] promotional activity", although "profitability over the period [redacted] fully in line with expectations".

The like-for-like sales [redacted] date [redacted] reported in November, he [redacted].

Laura Ashley, [redacted] clothing and furnishings retailer and manufacturer, [redacted] like-for-like sales in [redacted] UK and Ireland [redacted] Christmas were up 17.6 per [redacted]. Like-for-like sales in North America [redacted] 17.5 [redacted]. Continental European [redacted] however, [redacted] down 2.5 per [redacted].

Mr Jim Maxmin, chief executive, said [redacted] UK rise [redacted] in line with expectations, and achieved with little discounting. The increase in North America was flattered by a poor performance in 1992, but provided evidence [redacted] "substantial recovery" in the business.

DIVIDENDS ANNOUNCED

	[redacted]	Date of payment	[redacted]	Total for [redacted]	Total last [redacted]
Debenhams Tewson ......int	1.5†	[redacted] 22	1.2	-	3
Dewhurst ......fin	1.4	Apr [redacted]	1.28	2.08	1.89
Hawtin ......fin	0.7	Apr 6	[redacted]	[redacted]	[redacted]
Howden ......int	0.82	May [redacted]	[redacted]	-	2.2
[redacted] Co ......int	[redacted]	[redacted] 31	[redacted]	-	1.5
Jacques Vert ......int	[redacted]	Apr 6	1	-	[redacted]
PSIT ......int	1.75	Apr 5	1.5	-	4.125
Quality Care ......fin	3	Feb 14	0.75	4.5	0.9
[redacted] ......int	0.75	[redacted]	nil	-	1
Stakis ......fin	0.55	Apr [redacted]	0.45	1	[redacted]
VHE ......int	1.1	[redacted] 18	-	-	-
Watson & [redacted] ......fin	[redacted]	Feb 11	[redacted]	14.3	13.3

Dividends shown pence per share net except where otherwise stated. †On increased capital.

Outbreak of black sigatoka disease hits Costa Rican production

Geest shares slide on loss warning

By David Blackwell

Geest shares fell sharply yesterday after it warned that an attack of a fungal disease on its banana plantations in Costa Rica would push it into the red for 1993.

The company will incur an exceptional charge of £8.9m to cover the costs of fighting the disease. The shares closed at 276p, down 87p on the day.

Mr David Sugden, chief executive of the fresh produce and prepared food group, said the company had had to cut down almost 30 per cent of the stems on its 3,000 hectares of plantation after an outbreak of black sigatoka disease. Its Costa Rican production, normally 7.5m to 8m boxes of bananas a year, was between 2.5m and 3m boxes down.

The news took the market by surprise. Sigatoka is a routine hazard for banana growers in Latin America and is normally controlled by spraying. However, Mr Sugden said that the weather patterns in the rainy season at the end of last year had led to a loss of control over the disease in Costa Rica.

In addition, delays in changing the European banana imports regime hit banana prices in the second half of last year.

The quota of so-called dollar bananas, grown in Latin America more cheaply than in the West Indies, was set at 1m tonnes for the final five months of the year.

The resulting oversupply to Europe had "severely depressed returns to our producing partners in the Windward Islands," said Geest, [illegible] sole exporter [illegible] shipper of Windward Island bananas.

Geest will [illegible] a further £2.5m exceptional charge for rationalisation of its UK [illegible] produce wholesale business.

Last year [illegible] pre-tax profits fell from £26.2m to £20.4m on turnover of £625m. Bananas [illegible] for about [illegible] third of [illegible] turnover. Analysts, who were expecting profits [illegible] about £10m, now expect [illegible] loss of about £5m or 9p [illegible] share.

[illegible] to maintain its dividend at 8.1p.

[illegible] Sugden said that in the past [illegible] company had [illegible] £120m on its strategy of becoming a big European supplier [illegible] both dollar and [illegible] Indian bananas.

[illegible] criticised [illegible] European Union's offer during the Gatt negotiations [illegible] month to lift the quota for dollar bananas by a further 100,000 tonnes this [illegible], and [illegible] further 100,000 tonnes next year. "The politi[illegible] decision [illegible] increase [illegible] dollar quota has [illegible] market no favours," [illegible] said yesterday.

[illegible] In Dublin, Fyffes, the [illegible] main banana distributor [illegible] the UK market, [illegible] that it [illegible] to [illegible] noticed no changes in trading conditions or price levels" resulting from new quota offers made in the final [illegible] of the [illegible] negotiations.

Fyffes also said that black sigatoka [illegible] had not had [illegible] on the company, which [illegible] the past three [illegible] has been building up supplies from [illegible] and [illegible]. Unlike Geest, Fyffes [illegible] no plantations [illegible] own in [illegible] America, buying [illegible] from independent producers [illegible] contract.

See Lex

Quality Care Homes advances 64%

By Maggie Urry

Rapid expansion continued [illegible] Quality Care Homes, the Darlington-based nursing home operator, and pre-tax profits for the year to October 31 rose 64 per cent to £3m, against £1.84m last time which was struck after an exceptional charge of £152,000.

Mr Hamish Grossart, chairman, said that trading in the current year had been good so far but the rate of earnings growth would be affected by the number of new [illegible] opening and [illegible] rising [illegible] charge.

During the year capital expenditure totalled £8m, compared to operating cash flow of £3.48m, and gearing rose from 15 per cent to 29 per cent. With capital expenditure likely to reach £8m in 1993-94, gearing could top 50 per cent by the year end if further equity is not raised.

Last year QCH increased its beds from 540 to 799, in 16 nursing homes. Six home openings should [illegible] the [illegible] to 1,193 by the end of the current financial year. The average cost per bed was £18,500, up 5 per cent, but each bed is valued in the balance sheet at £27,100.

Turnover [illegible] 40 [illegible] cent [illegible] (£6.2m) although prices of beds were held at 1992 rates in spite of rising costs. The impact of the new Community Care Act on occupancy rates was small, with a rate [illegible] per [illegible] compared [illegible] in [illegible].

Operating profits [illegible] per [illegible] to [illegible] (£2.29m), partly thanks [illegible] the [illegible] of [illegible] exceptional charge which [illegible] to the [illegible] in July [illegible] fell [illegible] to £155,000, with [illegible] (£69,000) [illegible] capitalised.

[illegible] a [illegible] (30.1 per cent) earnings [illegible] share, excluding [illegible] exceptional charge, [illegible] per [illegible] 17.5p (11.8p).

A final proposed [illegible] gives [illegible] total of 4.5p, up [illegible] per cent on the [illegible] for [illegible].

Saracen to launch £50m smaller company fund

By Bethan Hutton

Saracen Fund Managers, a new company set up by a former director of [illegible] Amicable, has issued a pathfinder prospectus for an investment trust specialising in smaller companies.

Saracen Value Trust aims to raise £50m through a [illegible] and offer [illegible] subscription, sponsored by Charterhouse Tilney Securities.

The fund will be invested in smaller companies from the FT-SE SmallCap Index (excluding investment trusts), selected on a value basis, with the aim of achieving long term capital growth.

Mr Jim Fisher, managing [illegible] and co-owner (with IAF Group) of Saracen Fund Managers, managed the Amicable Smaller Enterprise Trust from launch in March 1992 until September 1993.

Saracen said the trust was being launched now because smaller companies were expected to do well with the economy moving out of recession and low and stable inflation.

Schroder growth trust aimed at retail market

By Scheherazade Daneshkhu

Schroder, the merchant bank and fund management group, is launching a new investment trust aimed at the retail market in the run-up to the end of the financial year.

The [illegible] Fund will have a simple capital structure of ordinary shares offered at 100p. Free warrants giving the right to subscribe for one share at 100p between 1996 and 2003 are being issued on a 1-for-5 basis.

The fund will share the same [illegible] of [illegible]der's successful UK Enterprise unit trust.

Schroder is marketing a personal equity plan, the Schroder UK Growth Pep, which will invest in the new trust to tap the resources of private investors [illegible] have been turning to the stock [illegible] with [illegible] asm as base rates have fallen.

The issue is sponsored by De Zoete [illegible]. The launch expenses will be capped at 4.5 [illegible] cent [illegible] expenses are expected [illegible] be below 1 per cent.

CU and GRE warn of cuts in bonuses

By Bethan Hutton

Two more insurers have [illegible] of future [illegible] in with-profits policy bonus levels, while maintaining pay-outs at similar levels this [illegible].

Commercial Union has cut pay-outs for shorter term with-profits policies, but announced a [illegible] 5 per cent reversion[illegible] bonus for [illegible] term poli[illegible] taken [illegible] before January 1 1975. A 25 year endowment, taken [illegible] by [illegible] man [illegible] 29 paying £30 [illegible] month, maturing this month, would be worth [illegible], [illegible] 4.2 per cent from last year. A 10-year policy [illegible], down 5 [illegible] cent.

Guardian Royal Exchange, which pulled [illegible] the with-profits endowment market in [illegible], continues [illegible] among [illegible] on existing with-profits policies.

It has held annual [illegible] at [illegible] year's level, while raising terminal [illegible] poli[illegible] of over 15 [illegible] pay-out on [illegible] 25-year policy [illegible] £44,379, up 0.7 per [illegible] from [illegible] year, [illegible] 10-year pay-out [illegible] down 1.4 per [illegible] at [illegible].

Cementone at 13p premium

[illegible] in Cementone, the specialist paints [illegible] building chemicals manufacturer, [illegible] trading yesterday at [illegible] higher than expected premium following [illegible] reversal into Multitrust, [illegible] Tim Burt.

The [illegible], placed [illegible] 73p, opened [illegible] 87p – exceeding [illegible]lysts expectations of [illegible] premium [illegible]. They [illegible] 86p.

About 1m shares changed hands, representing [illegible] 10 per [illegible] of [illegible] capital not retained by either UB International, Cementone's former holding company owned by Mr [illegible] or [illegible].

Multitrust acquired the [illegible]ness from UB [illegible] £9m which accepted 12.32m [illegible] as [illegible]ment, [illegible] which it [illegible] retain 7.45m shares, a stake [illegible] about 34 per [illegible] with [illegible].

Russian vodka deal for IDV

By Philip Rawstorne

International Distillers & Vintners, Grand Metropolitan's drinks division, has secured exclusive distribution rights for Stolichnaya Russian vodka in the [illegible] and Mexico from PepsiCo.

[illegible] deal, terms of which have [illegible] disclosed, gives IDV swift, if partial, compensation for the [illegible] of Absolut, the Swedish-owned vodka brand. It signals [illegible] period [illegible] competition in [illegible] market.

Distribution rights for Absolut, which IDV built [illegible] the leading imported premium [illegible] in the [illegible] with annual sales [illegible] about [illegible] being transferred next month [illegible] Seagram, the [illegible] American [illegible] group.

Vin & Sprit, Absolut's [illegible], [illegible] have made [illegible] switch because [illegible] growing [illegible] about [illegible] future development alongside IDV's Smirnoff – the [illegible] best-selling vodka – and Popov brands.

Analysts estimated the move would cost IDV about £40m a [illegible] in [illegible] profits, though the [illegible] has been compensated for the premature end to its [illegible] which had been due [illegible] run until September.

Stolichnaya [illegible] the second largest imported premium vodka in the US with sales, according to Impact International, [illegible] industry monitor, of [illegible] 1m [illegible] a year.

[illegible] other brands of Russian [illegible] – Stolichnaya Cristall, Russkaya, Priviet, and the flavoured products, Limonaya, Pe[illegible]ka [illegible] Okhotnicha[illegible] – are included in [illegible] deal, [illegible] subject to approval by US regulatory authorities.

PepsiCo [illegible] held the [illegible] rights for Stolichnaya from Russia's Sojuzplodoimport since 1973 and will continue to [illegible] so on IDV's behalf [illegible] until December 2000.

The brands will be handled in the US by Carillon Import[illegible], an IDV subsidiary, and in Mexico by Premium Brands.

Enlarged Debenham Tewson ahead 77%

By Simon [illegible]

Debenham Tewson [illegible] Chinnocks, [illegible] property advisory [illegible], yesterday announced a 77 per [illegible] increase [illegible] in pre-tax profits [illegible] six months to end-October.

The outcome, up from £936,000 last time, was struck on [illegible] £27.1m (£17.5m) [illegible] a [illegible]ery in [illegible] property [illegible] and [illegible] integration of Bernard Thorpe, the [illegible] surveyor.

Mr Richard Lay, chairman, [illegible] results [illegible] achieved "despite the fact [illegible] the recovery in [illegible] property market is patchy and [illegible] we operate in [illegible] very competitive environment."

[illegible] Thorpe [illegible] now [illegible] "totally integrated", following the completion [illegible] the merger in February 1993. The enlarged group [illegible] of approximately £4m, but [illegible] merger has [illegible] synergies for the companies' London offices [illegible] enabled expansion into regional property [illegible].

The group [illegible] experienced [illegible] sharp increase [illegible] fund [illegible]agement business, which now [illegible] portfolio, and [illegible] agent for property transactions worth £600m in [illegible] half. It [illegible] building up a European network, and [illegible] has representative [illegible] in [illegible] EU member countries, except Italy.

Earnings per share [illegible] 2.49p (1.81p); the interim [illegible] 1.5p (1.2p).

Dewhurst improves to £935,449

Dewhurst, the electrical component and [illegible] equip[illegible] maker, reported pre-tax [illegible] of £935,449 [illegible] 53 weeks to October 3, against £849,801, [illegible] 10 [illegible].

[illegible] rose 17 [illegible] (£9.12m). Earnings [illegible] share were [illegible] (5.1p) and [illegible] increased final dividend of 1.4p makes [illegible] (1.89p) [illegible].

COMMODITIES [illegible] AGRICULTURE

UK potato board moves to head off revolt

By Alison Maitland

Britain's Potato Marketing Board [illegible] yesterday [illegible] head off [illegible] revolt by growers who want its 60-year-old marketing scheme [illegible] up immediately [illegible] than waiting for abolition by the government in 1997.

Some producers, particularly in Scotland, are angry that the board has accepted government proposals for a slimmed-down role for the next three [illegible]

They want the board to hold [illegible] poll of producers on [illegible] future, arguing that it [illegible] already abandoned [illegible] main function by ending intervention buying of surplus potatoes and making production quotas more [illegible]

"There may [illegible] don't like the changes and who call for a poll to revoke [illegible] scheme," said Mr Alasdair Fairbairn, the board's chief executive.

"The danger is that the baby might be thrown out with [illegible] bathwater."

Unveiling proposals for a cut in the levy on growers from £86 a [illegible] to [illegible] or £1 [illegible] tonne, he argued that funding for the board's remaining activities of research, promotion [illegible] providing market information was vital [illegible] the industry.

[illegible] an example, research on nitrogen application could save [illegible] immediately and up [illegible] a year in the longer term through lower fer[illegible] Work [illegible] irrigation could bring £1.4m in annual savings through [illegible] efficient [illegible] of water, while developments in the control of powdery scab disease could [illegible] growers [illegible]

"If the board [illegible] spending £1.5m to [illegible] of growers' money [illegible] the government [illegible] spending about £4m on potato and related research," he said.

"If the industry [illegible] not prepared [illegible] fund research itself, the government will look very seriously at its funding. There's a lot at risk."

Mr Fairbairn said [illegible] board also had to promote consumption of fresh potatoes. [illegible] rise in potato consumption of [illegible] in Britain [illegible] year was fuelled by growth in the processed market.

If potato consumption in the UK fell [illegible] the levels in the US, "we'd need only 100,000 hect[illegible] of the present 150,000 hectares [illegible] what the market requires", said Mr Fairbairn. "There's a real inter[illegible] for growers to invest to keep potatoes competitive against the social trend towards other forms of food, particularly imported rice and pasta."

The board today embarks on [illegible] series of 14 meetings with growers around [illegible] country to explain how the modified marketing [illegible] will operate.

Growers will [illegible] able [illegible] plant up to [illegible] per cent more or fewer potatoes [illegible] their quota limit without penalty, only producers with 1 hectare or more of potatoes will need to register, licensing [illegible] potato merchants will end and the size of [illegible] will be reduced from [illegible] members [illegible] 15.

The [illegible] staff is being [illegible] from [illegible]

The government plans to review the scheme before [illegible] intended abolition in [illegible]

Mr John Heading, the board's chairman, said [illegible] vey last summer showed three-quarters of [illegible] the potato scheme to continue. He aimed [illegible] ensure "that in three years' time the minister of agriculture looks at us in a favourable light".

[illegible] Mrs [illegible] Shephard, UK agriculture minister, [illegible] asking the European Commission [illegible] allow farmers hit by flooding more time to harvest [illegible] and potatoes on [illegible] that [illegible] due to enter set-aside on January 15. Under current rules, no harvesting can take place on set-aside land and [illegible] would have to abandon their crops.

LME sustains turnover growth for seventh year in succession

By Kenneth Gooding, Mining Correspondent

The London Metal Exchange, the world's largest terminal market for physical metal, continued [illegible] turnover growth for the seventh successive [illegible] in [illegible] And its financial strength [illegible] the exchange to refund £2m of the contract levy money paid by clearing members.

Mr David King, chief [illegible]tive, pointed out that turnover on the LME had [illegible] five-fold in [illegible] past [illegible] years, "reflecting the growing [illegible]dence of the metals industry in the exchange [illegible] genuine hedging medium for their activities."

In volume terms [illegible] LME's futures and options turnover [illegible] increased by nearly [illegible] cent, from 24.74m lots to [illegible] ("lots" [illegible] 25 tonnes for [illegible] other than aluminium alloy, where each lot [illegible] 20 tonnes, nickel, six tonnes, and tin, five tonnes).

Mr King estimated that turn[illegible] increased [illegible] $1,000bn from $700bn in 1992. He said LME brokers probably had "a comfortable 1993" but their [illegible]gins and commissions represented only "a sliver" [illegible] the turnover. Commission [illegible] are based on the gross value of [illegible] so brokers suffered when [illegible] prices [illegible] low, [illegible] the case last year.

LME WAREHOUSE STOCKS
(As at Monday's close)
tonnes

Aluminium	+12,225	to 2,504,125
Aluminium [illegible]	[illegible]	[illegible]
Copper	[illegible]	to 613,925
Lead	[illegible]	to [illegible]
Nickel	+576	to [illegible]
Zinc	[illegible]	to 933,250
Tin	-110	[illegible]

On prospects for [illegible], Mr King [illegible] "The [illegible] in [illegible] we must [illegible] for [illegible] year [illegible] consolidation" – more or [illegible] same [illegible] he [illegible] beginning of each of the past four years.

Copper's futures turnover showed the biggest gain last year, [illegible] than doubling from 7.3m [illegible] 14.9m lots. Turnover in aluminium [illegible] up from 8.23m [illegible] lots, aluminium alloy, [illegible] newest contract, from [illegible] to 111,450 lots, lead from 976,000 to 1.02m lots, nickel from 1.44m to 2.12m lots, tin from 525,244 to 613,952 lots [illegible] zinc from 4m [illegible] 4.17m lots. Option turnover rose by 5.2 per cent from 2.2m [illegible] lots.

● The London Commodity Exchange, which trades chiefly in agricultural futures, last week reported "a healthy increase" of 26 per [illegible] in [illegible] turnover for [illegible] to [illegible] futures and options lots.

The biggest futures gain [illegible] cocoa's 33.52 per cent, while options turnover on that contract more than doubled. [illegible] fee futures trade was up only [illegible] per [illegible] but [illegible] options business leapt [illegible] per cent.

Caution urged on Indian cotton exports after harvest setback

By Kunal Bose in [illegible]

The Indian [illegible] ministry has urged the [illegible] government not to make any further release of cotton for export [illegible] of [illegible] to this season's crop in [illegible] three north Indian [illegible] of Punjab, Haryana and Rajasthan. The resulting fall in expected supplies has triggered [illegible] in prices.

At the beginning of [illegible] (September-August) cotton [illegible] when [illegible] for [illegible] was 13.5m [illegible] 170kg each, the government released an export quota of 500,000 bales. But [illegible] Cotton Corporation [illegible] India, a government procurement agency, which recently surveyed the crop, [illegible] production in the [illegible] year [illegible] not likely [illegible] be [illegible] than 13m bales.

A pest attack has reduced the standing [illegible] in [illegible] Indian [illegible] by an [illegible] 450,000 bales, according [illegible] Mr R.K. Khattar, president of [illegible] Eastern India Textile Mills Association. There has also been some loss in Madhya Pradesh, where the harvest [illegible] now expected [illegible] yield only 1.15m bales, compared with an earlier projection of 1.2m bales. Mr [illegible] would [illegible] surprised [illegible] ended [illegible] with a [illegible] as low [illegible] 12.7m [illegible]

Last year, [illegible] produced [illegible] and its exports amounted [illegible] nearly 1.5m. According [illegible] industry officials, the current prices of Punjab J-34, Maharashtra H-4 [illegible] Shankar-4, the three benchmark grades [illegible] Indian cotton, are [illegible] 41 [illegible] higher compared with [illegible] corresponding period of [illegible] previ[illegible]

While [illegible] panic buying by [illegible] textile mills, EITMA complains that "merchants have cornered nearly [illegible] per [illegible] market". It has told [illegible] government that "except for [illegible] actual users [illegible] one [illegible] allowed [illegible] hold [illegible] cotton".

As cotton prices [illegible] running 35 [illegible] higher [illegible] official support prices [illegible] current season, depend[illegible] on [illegible] grades, the [illegible]ment [illegible] CCI [illegible] slow with [illegible] purchasing [illegible]tion.

The Indian [illegible] industry which [illegible] the world's [illegible]ond largest number of operating spindles, [illegible] 28m, [illegible] expec[illegible] some [illegible] in [illegible] current [illegible], compared with about [illegible] year.

After making provision for non-mill consumption [illegible] the exports [illegible] have already [illegible] sanctioned, the next [illegible] is likely to [illegible] of less than [illegible] bales, [illegible] 3.3m [illegible] of [illegible] season, according to the [illegible] ministry. The [illegible] opening stocks will [illegible] just [illegible] enough [illegible] of the industry's fibre requirement for the first three months.

Though the Indian cotton season begins [illegible] September, the crop [illegible] gaining momentum until the middle of October.

[illegible] a firm estimate of the [illegible] crop not be available till March, any further setbacks will force India [illegible] import [illegible], industry officials warn.

Divisions remain over tropical timber accord

By [illegible] Williams in Geneva

A fourth [illegible] of talks aimed [illegible] negotiating a [illegible] accord [illegible] the [illegible] International Tropical Timber Agreement opened in Geneva this week, with producing [illegible] suming countries [illegible] the scope [illegible] financing of the [illegible] pact. The present agreement, which has [illegible] members, expires at [illegible] end of March.

Producer [illegible] temperate [illegible] well [illegible] tropical timber should [illegible] subject [illegible] the conservation disciplines [illegible] accord, which calls for all tropical timber exports to come from sustainably managed for[illegible] by the year 2000. They are [illegible] seeking [illegible] financial [illegible] this goal.

The two sides [illegible] said [illegible] have made "some progress" during last November's [illegible]ing in Japan [illegible] the International Tropical Timber Council, which administers the 1983 pact. The Geneva talks, under the auspices of the United Nations Conference on Trade [illegible] Development, are [illegible] end on January [illegible] but [illegible] be extended for [illegible] third week.

Mr Wisber Loeis of Indonesia, who chairs the negotiations, has proposed a compromise under which [illegible] future accord would essentially [illegible] limited [illegible] tropical [illegible] but all member nations would espouse the Year 2000 Objective. The US, Australia and Japan, [illegible] temperate timber producers, have already done [illegible]

Russian grain crop down

[illegible] grain harvest fell by about [illegible] to 102m but [illegible] result could have been worse, Agriculture Minister Viktor Khlystun said, reports Reuter from Moscow.

He told Russian television 120m tonnes could have been brought [illegible] but for [illegible] weather during harvesting.

"This situation is extremely grave," he said.

Comex/Nymex vote expected in March

By Laurie Morse in [illegible]

The year-long merger negotiations between [illegible] York's metals exchange, Comex, [illegible] big [illegible] market, Nymex, [illegible] progressing, with [illegible] of the [illegible] memberships on [illegible] merger plan expected [illegible] early [illegible]

Comex members [illegible] agreed to [illegible] electing a [illegible] until [illegible] completed, an action interpreted by many in the futures industry [illegible] a vote [illegible] in [illegible] merger plan.

Since Nymex first suggested taking [illegible] the smaller exchange last April [illegible] negotiators have [illegible] to [illegible] antagonism between the memberships of [illegible] exchanges, and sentiment that Comex's record year in 1993 might reduce the urgency [illegible] for [illegible] smaller exchange.

Comex's board of [illegible] will vote on a formal [illegible] package presented by Nymex on January 19. [illegible] the plan [illegible] board, members [illegible] both exchanges will [illegible] asked [illegible] approve [illegible] merger.

Nigerian group finds more oil and gas

By [illegible] in Lagos

The Nigerian National Petroleum Corporation [illegible] proven [illegible] 25m barrels [illegible] oil and [illegible] in [illegible] Niger delta, [illegible] the corporations which faces mounting [illegible] contractors, [illegible] in payments [illegible] exploration [illegible] production, and big losses [illegible] its downstream operations.

The state company's own operator, Nigerian Petroleum Development Company has found nine hydrocarbons [illegible] the Ozlengbe south field, [illegible] in [illegible] state, [illegible] concessions that [illegible] per cent owned by NPDC. The find [illegible] NPDC's [illegible] 169m barrels.

[illegible] has [illegible] small oil [illegible] in production at Apura, [illegible] joint venture [illegible] Gas, but the [illegible] Nigeria's 1.8m barrels daily quota [illegible] produced by NNPC's minority joint venture partners who [illegible] all international oil companies, except Dubri Oil, the only indigenous private sector producer in Africa.

The Nigerian government last year signed [illegible] series of exploration [illegible] production [illegible] for deep [illegible] cessions [illegible] all [illegible] of developing fields to the oil majors as part of its drive to increase proven oil [illegible] from 20bn [illegible] 25bn barrels by the end of the decade.

COMMODITIES PRICES

[illegible] METALS

LONDON METAL EXCHANGE
(Prices from Amalgamated Metal Trading)

■ ALUMINIUM, 99.7 PURITY ($ per tonne)

	Cash	3 mths
Close	1163.5-4.5	1170-1
Previous	1183-4	1170-1
High/low	-	1180/1160
AM Official	1148-8.5	1165-6.5
Kerb close		1159-60
Open int.	288,961	
Total daily turnover	126,651	

■ ALUMINIUM ALLOY ($ per tonne)

	Cash	3 mths
Close	987-92	1013-4
Previous	986-8	1011-2
High/low	-	[illegible]
AM Official	981-6	1005-9
Kerb close		1011-4
Open int.	2,672	
Total daily turnover	388	

■ LEAD ($ per tonne)

	Cash	3 mths
Close	472.5-3.5	[illegible]
Previous	474-5	487-8
High/low	476.5	493/485
AM Official	475.5-6.0	488.5-9.0
Kerb close		484-5
Open int.	31,813	
[illegible]	7,321	

■ NICKEL ($ per tonne)

	Cash	3 mths
Close	5485-90	5545-50
Previous	5410-2	5575-80
High/low	-	5640/5475
AM Official	5520-30	5585-90
Kerb close		5560-70
Open int.	52,826	
Total daily turnover	12,900	

■ TIN ($ per tonne)

	Cash	3 mths
Close	4760-70	4810-20
Previous	4775-85	4820-30
High/low	-	4865/4810
AM Official	4810-5	4860-65
Kerb close		4805-15
Open int.	16,574	
Total daily turnover	4,512	

■ ZINC, special high grade ($ per tonne)

	Cash	3 mths
Close	981-3	1000-2
Previous	975-6	994.5-5.0
High/low	980	1003/995
AM Official	979-80	988-8.5
Kerb close		[illegible]
Open int.	[illegible]	
Total daily turnover	22,572	

■ COPPER, grade A ($ per tonne)

	Cash	3 mths
Close	1750.5-1.5	1772.5-3.0
Previous	1740-1	1761-1.5
High/low	1762/1760	1797/1771
AM Official	1762-3	1784-5
Kerb close		1777-8
Open int.	252,658	
Total daily turnover	67,801	

■ LME AM [illegible] £/$ rate: 1.4908
LME Closing £/$ rate: 1.4920

Spot: 1.4910 3 mths: 1.4832 [illegible] mths: 1.4787 [illegible]

■ HIGH GRADE COPPER (COMEX)

	Close	Day's change	High	Low	Open int.	Vol
Jan	80.95	+0.05	81.25	80.40	1,165	245
Feb	81.00	+0.05	81.45	[illegible]	[illegible]	15
Mar	81.20	-	81.65	[illegible]	40,940	1,048
Apr	81.35	-	[illegible]	[illegible]	[illegible]	19
May	81.50	-	82.00	[illegible]	8,341	772
Jun	81.70	-	81.75	81.60	830	23
Total					66,718	2,373

PRECIOUS METALS

■ LONDON BULLION MARKET
(Prices supplied by [illegible])

Gold (Troy oz.)	$ price	£ equiv.
Close	388.00-388.50	
Opening	384.25-384.65	
Morning fix	384.35	257.953
Afternoon fix	385.45	258.398
Day's High	389.00-389.50	
Day's Low	383.20-383.70	
Previous close	[illegible]	

Loco Ldn Mean Gold Lending Rates (Vs US$)

1 month	2.73	6 months	[illegible]
2 months	2.74	12 months	2.76
3 months	2.74		

Silver Fix	p/troy oz.	US cts equiv.
Spot	338.75	504.25
3 months	343.10	507.90
6 months	347.50	512.25
1 year	355.45	521.10

Gold Coins	$ price	£ equiv.
Krugerrand	385-388	258-261
Maple leaf	396.05-399.45	
[illegible] Sovereign	90-93	60-63

Precious [illegible] continued

■ GOLD COMEX (100 Troy oz.; $/troy oz.)

	Sett price	Day's change	High	Low	Open int.	Vol.
Jan	388.0	+3.0	-	-	84,251	55,103
Feb	388.7	[illegible]	388.8	383.7	32	26
[illegible]	[illegible]	+3.0	[illegible]	388.0	17,686	4,118
[illegible]	390.7	+3.1	390.9	386.0	23,335	3,136
[illegible]	392.5	+3.1	[illegible]	[illegible]	8,993	8,328
[illegible]	394.5	+3.1	[illegible]	392.0	4,010	2,898
Total					[illegible]	[illegible]

■ PLATINUM [illegible] (50 Troy [illegible] $/troy oz.)

	Sett price	Day's change	High	Low	Open int.	Vol.
Jan	388.5	+2.8	-	-	223	11
Apr	390.5	+2.8	[illegible]	387.5	18,026	1,826
Jul	392.0	+2.8	392.0	[illegible]	2,323	8
Oct	393.3	+2.8	-	-	245	8
Jan	[illegible]	+2.8	-	-	138	1
Total					[illegible]	[illegible]

■ PALLADIUM NYMEX (100 Troy oz.; $/troy oz.)

	Sett price	Day's change	High	Low	Open int.	Vol.
Mar	[illegible]	[illegible]	[illegible]	[illegible]	4,111	981
Jun	[illegible]	+1.45	124.00	122.50	723	56
[illegible]	[illegible]	+0.35	-	-	[illegible]	-
Dec	[illegible]	+0.35	[illegible]	122.50	69	-
Total					[illegible]	1,017

■ SILVER COMEX (100 Troy oz.; $/troy oz.)

	Sett price	Day's change	High	Low	Open int.	Vol.
Jan	510.9	+7.4	505.5	505.0	72,329	32,122
Feb	512.1	+7.3	-	-	11,114	[illegible]
Mar	[illegible]	+7.3	[illegible]	[illegible]	[illegible]	[illegible]
May	516.8	+7.4	518.0	508.0	[illegible]	3,770
Jul	519.9	+7.4	520.5	512.0	7,413	109
Sep	[illegible]	+7.4	[illegible]	517.0	22	-
Total					107,945	[illegible]

ENERGY

■ CRUDE OIL NYMEX (42,000 US galls. $/barrel)

	Latest price	Day's [illegible]	High	Low	Open int	Vol
Feb	14.80	+0.13	14.94	14.58	87,892	54,973
Mar	15.05	+0.11	15.20	14.85	80,623	39,869
[illegible]	[illegible]	+0.10	[illegible]	15.10	[illegible]	[illegible]
[illegible]	[illegible]	+0.08	[illegible]	15.33	29,339	4,482
Jun	[illegible]	+0.09	[illegible]	15.55	38,339	1,797
Jul	[illegible]	+0.14	[illegible]	15.83	[illegible]	[illegible]
Total					[illegible]	[illegible]

■ CRUDE OIL IPE ($/barrel)

	Latest price	Day's change	High	Low	Open int	[illegible]
Feb	13.85	+0.11	13.91	13.60	62,418	[illegible]
Mar	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	16,365
Apr	14.03	+0.12	14.11	13.84	19,244	3,191
May	14.24	+0.13	14.30	14.06	8,226	1,269
Jun	14.40	+0.06	[illegible]	14.25	[illegible]	[illegible]
Jul	[illegible]	[illegible]	14.51	[illegible]	5,874	77
Total					162,224	34,294

■ HEATING OIL NYMEX (42,000 US galls.; c/US galls.)

	Latest price	Day's change	High	Low	Open int	Vol
Feb	48.10	+1.34	48.40	46.75	51,250	[illegible]
Mar	[illegible]	+0.80	[illegible]	[illegible]	[illegible]	8,082
Apr	[illegible]	[illegible]	[illegible]	[illegible]	23,854	[illegible]
May	[illegible]	[illegible]	45.20	[illegible]	26,915	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total					[illegible]	[illegible]

■ GAS OIL IPE ($/tonne)

	Sett price	Day's change	High	Low	Open int	Vol
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

■ NATURAL GAS NYMEX (10,000 mmBtu; $/mmBtu)

	Latest price	Day's change	High	Low	Open int	Vol
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

■ UNLEADED GASOLINE NYMEX (42,000 US galls.; c/US galls.)

	Latest price	Day's change	High	Low	Open int	Vol
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible] AND OIL SEEDS

■ WHEAT LCE (£ per tonne)

	Sett price	Day's change	High	Low	[illegible] int	Vol
Jan	99.60	+0.50	[illegible]	[illegible]	120	33
Mar	[illegible]	+0.50	[illegible]	[illegible]	2,068	[illegible]
May	[illegible]	+0.35	102.00	[illegible]	1,684	153
Jun	102.15	[illegible]	-	-	152	-
Sep	91.80	[illegible]	[illegible]	[illegible]	[illegible]	20
Nov	93.00	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total					[illegible]	[illegible]

■ WHEAT CBT (5,000bu min; cents/60lb bushel)

	Sett price	Day's change	High	Low	Open int	Vol
Mar	[illegible]	-5/0	[illegible]	362/4	152,956	23,565
[illegible]	362/6	-4/4	365/4	362/0	45,880	[illegible]
Jul	348/2	-	347/0	344/4	64,465	6,800
Sep	348/0	+0/2	[illegible]	346/0	[illegible]	465
Dec	355/0	[illegible]	[illegible]	353/4	9,625	805
Jul	327/4	-	-	-	20	1
Total					288,446	[illegible]

■ MAIZE CBT (5,000 bu min; cents/56lb bushel)

	Sett price	Day's change	High	Low	Open int	Vol
Mar	308/0	[illegible]	308/4	303/2	703,120	183,135
May	310/2	+1/4	311/0	308/0	432,520	72,345
Jul	[illegible]	+1/4	311/4	308/4	346,950	[illegible]
[illegible]	289/0	+1/2	289/2	287/0	[illegible]	6,365
[illegible]	269/6	+1/2	270/0	268/2	[illegible]	18,540
Mar	[illegible]	[illegible]	275/4	274/0	11,270	820
Total					1,749[illegible]	341,580

■ BARLEY LCE (£ per tonne)

	Sett price	Day's change	High	Low	Open int	Vol
Jan	104.05	-	104.00	[illegible]	[illegible]	24
Mar	105.60	+0.20	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	107.00	+0.50	-	-	203	-
[illegible]	93.50	-	-	-	40	-
Nov	94.50	-0.50	[illegible]	94.70	52	5
Jan	97.40	-	-	-	-	-
Total					[illegible]	[illegible]

■ [illegible] CBT [illegible],000bu min; cents/60lb bushel)

	Sett price	Day's change	High	Low	Open int	Vol
Jan	685/2	[illegible]	[illegible]	681/0	23,025	39,515
Mar	[illegible]	[illegible]	[illegible]	688/6	410,485	175,310
May	697/2	[illegible]	[illegible]	[illegible]	[illegible]	27,040
Jul	[illegible]	[illegible]	[illegible]	692/6	153,310	38,100
Aug	690/6	+5/2	[illegible]	[illegible]	25,615	2,148
Sep	666/4	+2/2	667/0	665/0	[illegible]	[illegible]
Total					[illegible]	[illegible]

■ SOYABEAN OIL CBT (60,000lbs; cents/lb)

	Sett price	Day's change	High	Low	Open int	Vol
Jan	28.94	+0.39	[illegible]	28.47	5,032	1,814
Mar	28.88	+0.41	[illegible]	28.38	41,962	11,369
May	[illegible]	+0.44	28.80	28.12	18,865	[illegible]
Jul	28.11	[illegible]	28.13	[illegible]	[illegible]	2,971
[illegible]	27.65	+0.22	27.65	[illegible]	[illegible]	[illegible]
[illegible]	26.80	+0.25	26.80	[illegible]	[illegible]	[illegible]
Total					95,877	20,481

■ [illegible] MEAL CBT (100 tons; $/ton)

	Sett price	Day's change	High	Low	Open int	Vol
Jan	195.6	-2.6	198.2	195.5	5,996	1,768
Mar	196.2	-2.0	198.5	196.1	39,631	8,823
May	197.3	-1.7	[illegible]	196.8	14,301	[illegible]
Jul	[illegible]	-1.5	200.0	[illegible]	12,845	1,595
[illegible]	197.0	-1.9	[illegible]	197.0	[illegible]	293
[illegible]	196.0	-1.3	197.6	[illegible]	3,002	322
Total					85,438	15,020

■ POTATOES LCE (£/tonne)

	Sett price	Day's change	High	Low	Open int	Vol
[illegible]	[illegible]	-12.5	-	-	34	-
Apr	[illegible]	+1.2	[illegible]	111.0	1,972	179
[illegible]	130.3	+1.0	131.0	130.0	[illegible]	64
Jun	[illegible]	-	-	-	2	-
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total					[illegible]	[illegible]

■ FREIGHT (BIFFEX) LCE ($10/index point)

	Sett price	Day's change	High	Low	Open int	Vol
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

	Close	Prev
BFI	1220	1214

SOFTS

■ [illegible] LCE (£/tonne)

	[illegible] price	[illegible] change	High	Low	Open int	Vol
Mar	880	-22	901	[illegible]	35,325	1,975
[illegible]	[illegible]	-22	[illegible]	885	[illegible]	[illegible]
Jul	910	-21	930	910	9,348	1,158
Sep	[illegible]	-20	945	924	10,050	[illegible]
Dec	944	-17	957	942	[illegible]	191
Mar	960	-16	964	957	[illegible]	[illegible]
Total					[illegible]	[illegible]

■ [illegible] CSCE (10 tonnes; [illegible])

	Sett price	Day's change	High	Low	Open int	Vol
Mar	1118	[illegible]	1139	1115	[illegible]	3,480
[illegible]	1151	-29	1172	[illegible]	14,451	768
[illegible]	1190	-20	1204	1187	9,791	132
[illegible]	[illegible]	-21	1229	1218	6,332	[illegible]
[illegible]	1240	-21	[illegible]	1245	6,735	13
Mar	1255	-21	-	-	[illegible]	-
Total					[illegible]	[illegible]

■ [illegible] (SDR's/tonne)

	Price	Prev. day
Jan 10		
Daily	[illegible]	[illegible]
Jan 11		
10 day average	924.00	926.91

■ COFFEE LCE ($/tonne)

	Sett price	Day's change	High	Low	Open int	Vol
Jan	1188	+1	1191	[illegible]	1,204	[illegible]
Mar	1200	[illegible]	[illegible]	1190	[illegible]	1,138
May	1197	-8	1207	1198	9,689	551
Jul	1192	-7	1202	1195	[illegible]	142
Sep	1193	-7	[illegible]	[illegible]	[illegible]	[illegible]
Nov	[illegible]	-5	-	-	369	-
Total					[illegible]	1,883

■ COFFEE 'C' [illegible] (37,500lbs; cents/lbs)

	Sett price	Day's change	High	Low	Open int	Vol
Mar	[illegible]	-1.35	[illegible]	[illegible]	34,952	4,911
May	73.40	-1.35	76.00	73.36	11,390	[illegible]
Jul	74.95	-1.20	76.45	74.95	3,671	[illegible]
Sep	[illegible]	-1.20	78.00	[illegible]	2,370	[illegible]
[illegible]	78.00	-1.35	[illegible]	78.00	1,330	6
Mar	[illegible]	-1.20	-	-	759	10
Total					84,474	6,007

■ COFFEE (ICO) (US cents/pound)

	[illegible]	Prev. day
Jan 10		
Comp. daily	69.06	68.42
15 day average	70.15	70.41

■ No7 PREMIUM RAW SUGAR LCE (cents/lbs)

	Sett price	Day's change	High	Low	Open int	Vol
[illegible]	[illegible]	[illegible]	10.88	[illegible]	[illegible]	17
[illegible]	11.31	[illegible]	-	-	678	-
Jul	11.55	+0.77	11.37	[illegible]	[illegible]	207
Oct	11.26	[illegible]	-	-	54	-
Total		-	-	-	4,780	224

■ WHITE SUGAR LCE ($/tonne)

	Sett price	Day's change	High	Low	Open int	Vol
Mar	287.60	+2.50	287.70	[illegible]	7,007	607
May	290.10	+2.50	289.40	[illegible]	2,022	51
Aug	294.60	[illegible]	293.90	291.00	[illegible]	9
[illegible]	284.30	[illegible]	-	-	[illegible]	
Dec	283.30	[illegible]	-	-	60	
Mar	[illegible]	+3.10	-	-	63	
Total					12,424	667

■ SUGAR '11' CSCE (112,000lbs; cents/lbs)

	Sett price	Day's change	High	Low	Open int	Vol
[illegible]	[illegible]	[illegible]	10.78	10.56	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	10.84	26,224	[illegible]
Jul	10.98	+0.20	11.00	10.80	15,885	[illegible]
Oct	[illegible]	[illegible]	[illegible]	10.79	[illegible]	177
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total					[illegible]	[illegible]

■ COTTON NYCE (50,000lbs; cents/lbs)

	Sett price	Day's change	High	Low	Open int	Vol
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

■ ORANGE JUICE NYCE (15,000lbs; cents/lbs)

	Sett price	Day's change	High	Low	Open int	Vol
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

MINOR METALS
European free market, from Metal Bulletin. $ per lb in warehouse, unless otherwise stated (last week's in brackets, where changed). [illegible] $ per tonne, 1,630-1,670 (1,605-1,655). Bismuth: min. 99.99%, [illegible] tonne lots 2.30-2.50. [illegible] min. [illegible] (14.80-15.85): 99.3%, 15.50-16.50 (13.80-14.50). Mercury: min. 99.99%, $ per 76 lb flask, 90-105 (95-105). Molybdenum: drummed molybdic oxide, 2.70-2.80 (2.70-2.75). Selenium: min 99.5%, 4.25-4.80. Tungsten ore: standard min. 65%, $ per tonne unit (10kg) WO_3, cif, 27-39. Vanadium: min. 98%, cif, 1.35-1.45. Uranium: [illegible] 7.00 (6.90).

VOLUME DATA
Open interest and Volume data shown for contracts traded on COMEX, NYMEX, CBT, NYCE, CME and CSCE are one day in arrears.

INDICES

■ REUTERS (Base: [illegible]=100)

Jan 11	Jan 10	month ago	year ago
1669.0	[illegible]	1669.7	[illegible]

■ CRB (Base: 4/9/56=100)

Jan 10	Jan 7	month ago	year ago
[illegible]	[illegible]	223.63	[illegible]

MEAT AND LIVESTOCK

■ LIVE CATTLE CME [illegible] cents/lbs)

	Sett price	Day's change	High	Low	[illegible] int	Vol
Feb	[illegible]	+0.600	[illegible]	73.700	30,680	8,290
Apr	76.700	+0.325	76.775	76.300	21,586	6,075
Jun	74.375	-0.075	74.650	74.250	[illegible]	[illegible]
[illegible]	73.325	+0.050	73.500	73.150	9,123	[illegible]
Oct	73.275	+0.025	73.500	73.150	4,616	1,120
Dec	74.050	-	[illegible]	73.880	807	22
Total					[illegible]	[illegible]

■ LIVE HOGS CME (40,000lbs; [illegible])

	Sett price	Day's change	High	Low	Open int	Vol
Feb	47.175	+0.800	47.200	46.500	9,953	[illegible]
[illegible]	48.725	+0.275	48.875	[illegible]	7,709	2,186
Jun	53.675	+0.100	53.850	53.600	[illegible]	[illegible]
[illegible]	53.450	[illegible]	53.500	53.250	[illegible]	[illegible]
[illegible]	52.175	[illegible]	52.250	51.900	[illegible]	89
Oct	49.075	-	[illegible]	49.000	[illegible]	628
Total					[illegible]	7,721

■ PORK BELLIES CME (40,000lbs; cents/lbs)

	Sett price	Day's change	High	Low	Open int	Vol
Feb	57.925	[illegible]	[illegible]	56.550	5,220	[illegible]
Mar	58.400	+0.500	[illegible]	[illegible]	1,848	456
May	59.550	+0.350	59.700	58.400	[illegible]	105
Jul	[illegible]	[illegible]	[illegible]	59.000	[illegible]	141
Aug	[illegible]	[illegible]	[illegible]	57.250	288	8
Total					[illegible]	[illegible]

LONDON TRADED OPTIONS

Strike price $ tonne — Calls — — Puts —

■ [illegible] [illegible] LME	[illegible]	[illegible]	[illegible]	Jun
1125	52	76	21	[illegible]
1150	38	62	32	[illegible]
1175	27	49	46	51
■ **COPPER (Grade A) LME**	[illegible]	Jun	Mar	Jun
1700	[illegible]	126	23	33
1750	64	95	41	51
1800	40	69	67	76
■ **COFFEE LCE**	Mar	[illegible]	[illegible]	May
1150	70	96	20	[illegible]
1200	41	70	[illegible]	73
1250	23	50	73	[illegible]
■ **COCOA LCE**	Mar	[illegible]	Mar	[illegible]
900	[illegible]	[illegible]	44	63
925	[illegible]	[illegible]	61	68
950	11	32	81	88
■ **BRENT CRUDE IPE**	[illegible]	Feb	[illegible]	Feb
1400	[illegible]	[illegible]	-	16
1450	[illegible]	[illegible]	-	-
1500	-	1	-	-

LONDON SPOT MARKETS

■ CRUDE OIL FOB (per barrel/Feb)

Dubai	$12.99-3.09w	-.075
Brent Blend [illegible]	$14.01-4.03	-0.11
Brent Blend (Feb)	$13.78-3.80	-0.09
W.T.I. (1pm est)	$14.79-4.81w	

■ OIL PRODUCTS NWE prompt delivery CIF (tonne)

Premium Gasoline	[illegible]	[illegible]
Gas Oil	[illegible]	[illegible]
Heavy Fuel Oil	[illegible]	
Naphtha	$126-131	
Petroleum Argus Estimates		

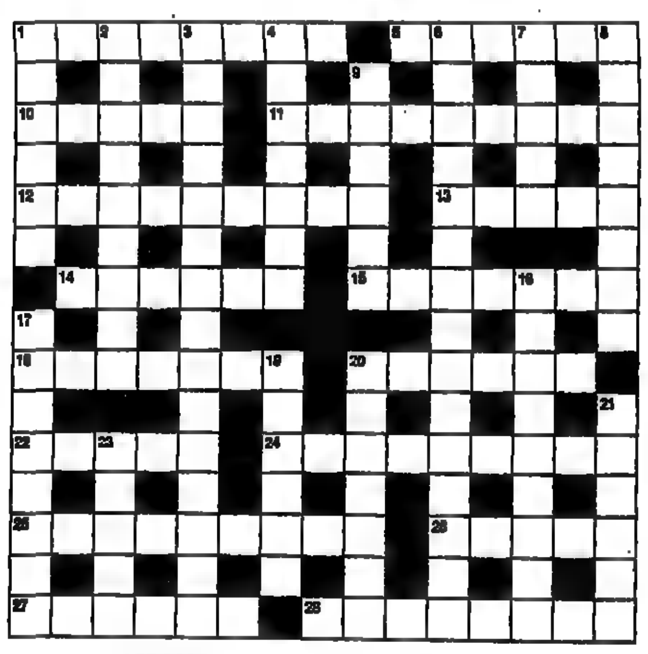
■ OTHER

Gold (per troy oz)	$385.25	+2.15
Silver (per troy oz)	505.5c	+9.0
Platinum (per troy oz.)	$385.25	+2.00
Palladium (per troy oz.)	$123.25	-0.40
Copper (US prod.)	86.0c	-0.5
Lead (US prod.)	36.13	
Tin (Kuala Lumpur)	12.40r	+0.22
Tin (New York)	223.50	+3.00
Zinc [illegible]	Unq.	
Cattle (live weight)	120.71p	+2.72*
Sheep (live weight)	88.07p	+6.15*
Pigs (live weight)	83.47p	-1.56*
Lon. day sugar (raw)	$256.6	-7.3
Lon. day sugar (wte)	$287.5	+0.5
Tate & Lyle export	£285.5	-5.0
Barley (Eng. feed)	£107.5	
Maize (US No3 yellow)	£129.0z	
Wheat (US Dark North)	£175.0	
Rubber (Feb)	60.50p	
Rubber (Mar)	60.75p	
Rubber(KL RSS No1 Feb)	216.00m	+1.0
Coconut Oil (Phil)	$565.0v	
Palm Oil (Malay)	$397.5z	
Copra (Phil)	$400.0	-25.0
Soyabeans (US)	£200.0	-7.0
Cotton 'A' Index	65.30c	-0.10
Wooltops (64s Super)	347p	

£ per tonne unless otherwise stated. p-pence/kg. c-cents/lb. r-ringgit/kg. m-Malaysian cents/kg. [illegible] * Change on week, provisional prices.

CROSSWORD

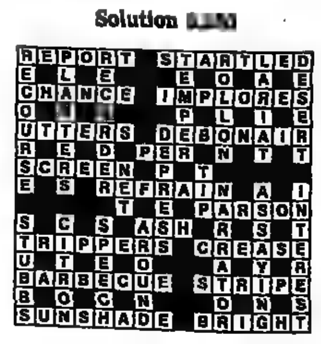
No.8,351 [illegible] by DANTE



ACROSS
1 [illegible] sort of man giving children guidance (8)
5 Work [illegible] nervous complaint [illegible]
10 Admit having [illegible] in [illegible] superior position (3,2)
11 Angry [illegible] daughter [illegible] getting [illegible]
12 Agree ills may [illegible] from such rash [illegible]
13 Young [illegible] badly (6)
14 Put in [illegible] (6)
15 European currency [illegible] road repairs in S. [illegible] (7)
18 Perhaps [illegible] for granted (7)
20 Inform of tiny adjustment (6)
22 A [illegible] nose initially put off the scent [illegible]
24 Feed a pet [illegible], perhaps (9)
[illegible] in [illegible] bar [illegible]
[illegible] A flash [illegible] brilliance (5)
[illegible] Didn't work for nothing (6)
28 End [illegible] Edward being confined to a small room [illegible]

[illegible]
1 Cleaning brush, barely used (6)
2 Ground [illegible] might be [illegible] (9)
3 Non-metrical form [illegible] Emperor [illegible] (8,7)
[illegible] That's what [illegible] think! (7)
6 Important [illegible] – [illegible]don umpires? (4,5,6)
[illegible] speed on [illegible] (5)
8 Their examinations necessi[illegible] a [illegible] bookwork [illegible]
9 He could get his [illegible] by Friday (6)
16 [illegible] having had [illegible] before [illegible] (9)
17 Biblical [illegible] wild (8)
19 [illegible] order [illegible] headquar[illegible] (6)
[illegible] A snuff-taker (7)
21 Expert in [illegible]
23 Happen [illegible] upset company [illegible] (5)

Solution [illegible]



JOTTER PAD

LONDON [illegible] EXCHANGE

MARKET REPORT

Shares give ground [illegible] base rate hopes cool

By Terry Byland, UK Stock Market Editor

A postponement of hopes for the next long predicted reduction in domestic interest rates cut [illegible] stock market confidence in London yesterday. Although selling was modest, the FT-SE 100 Index fell by nearly 27 points, wiping out much of the gain achieved on Friday afternoon and brushing aside the record close on Wall Street overnight.

A firm opening, on the back of Wall Street's 44-point advance, was soon unpicked by a dull futures market. [illegible] prices slid away, with the less confident tone on [illegible] rate prospects [illegible] in a firm undertone in sterling. Although the [illegible] market had largely resigned [illegible] to waiting until spring for a [illegible] cut, the latest [illegible] on UK housing starts, consumer credit and overseas trade have [illegible] stronger [illegible]nomic growth will set the background to this morning's meeting between Mr Kenneth Clarke, the chancellor of the exchequer, and Mr Eddie George, Governor of the Bank of England.

Also suggesting increasing confidence, and therefore reduced pressures for a base rate cut, were several [illegible] business opinion, including a view [illegible] Dun & Bradstreet, the US based business information [illegible], that UK [illegible] are seeking higher prices. At least one equity strategist raised the mar[illegible] that domestic interest [illegible] could be under upward [illegible]sures soon.

There was little relief for the mar[illegible] York [illegible] the new session with [illegible] fall of 10 Dow points [illegible] remained discouraging. Traders commented that the institutions [illegible] no longer switching into [illegible]ond line stocks, but merely trimming holdings in [illegible] shares.

The final reading [illegible] the FT-SE 100 at 3,413.8, with a net fall of 26.8. The [illegible] line [illegible] in the [illegible] blue chips, leaving the FT-SE Mid 250 Index down 12.2 at 3,889.2. Non-[illegible] business remained high, making up around 65 [illegible] cent [illegible] yesterday's Seaq total of [illegible] shares traded. [illegible] the previous [illegible]sion, 849.1m shares through the Seaq electronic network returned a retail [illegible] of £1.75bn.

Equity strategists were inclined to underplay the implications of the [illegible] economic [illegible] and commentaries. At Panmure Gordon, the UK brokerage house, Mr Robin Aspinall commented that "businesses always want to put up prices", and denied that the rise in consumer credit indicated rapidly rising borrowing.

There were also signs that the big securities houses were beginning [illegible] hold [illegible] equity investment [illegible] they positioned themselves ahead of the auction of government bonds expected at [illegible] end [illegible] the week.

Retail issues, still awaiting [illegible]vincing news on the Christmas sales period, lacked support and some high [illegible] banks [illegible] also easier ahead of the [illegible] reporting [illegible], [illegible] is about [illegible].

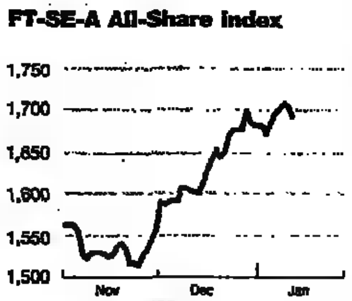
With [illegible] hopes now taking [illegible] seat, the market's [illegible] hope [illegible] a further advance rests [illegible] the prospects [illegible] the annual reporting season from British companies. The [illegible] share performances over 1993 [illegible] from the financial sector, with merchant banks, lending [illegible] and properties showing the strongest gains. [illegible] valuations of shares in [illegible] have left them highly dependent upon good profits news. But merchant banks, which have benefited from the strength of securities markets, came in for [illegible] buying yesterday.

Account Dealing Dates

*First Dealings:		
Jan 4	Jan 17	Jan 31
Option Declarations:		
Jan 13	Jan 27	Feb 10
Last Dealings:		
Jan 14	Jan 28	Feb 11
Account Day:		
Jan 24	Feb 7	Feb 21

[illegible] time dealings may [illegible] from [illegible] business days earlier.

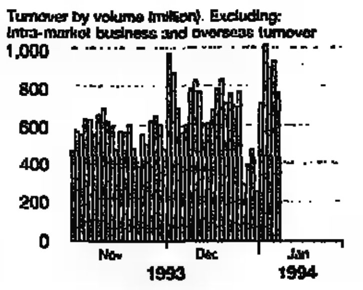
FT-SE-A All-Share Index



Source: FT Graphite

Equity Shares Traded

Turnover by volume (million). Excluding: intra-market business and overseas turnover



■ [illegible] Indicators

Indices [illegible] ratios

FT SE 100	3413.8	[illegible]
FT-SE Mid 250	3889.2	-12.2
FT-SE-A 350	1711.0	-11.6
FT-SE-A [illegible]	[illegible]	-10.45
FT-SE-A All-Share yield	[illegible]	[illegible]
FT Ordinary [illegible]	2604.8	-10.1
FT-SE-A Non Fins p/e	[illegible]	(22.40)
FT-SE 100 Fut Mar	3426.5	[illegible]
10 yr Gilt yield	6.27	6.20
Long gilt/equity yld [illegible]	[illegible]	2.03

Best performing sectors

1	Printing, Paper & Pckg	+0.9
2	Merchant Banks	+0.7
3	Extractive Industries	+0.6
4	Electronic & Elec	+0.6
5	Health Care	+0.5

Worst performing [illegible]

1	[illegible]	-3.1
[illegible]	[illegible]	-1.8
3	Banks	-1.6
[illegible]	Oil Exploration	-1.3
[illegible]	[illegible] Distribution	-1.2

Big share placing in GUS

A large placing in Great Universal Stores saw the group recording its highest ever daily share turnover. Smith New Court was believed [illegible] bought a line of 13m shares for an undisclosed price from one institution and placed them at 610p. Dealers said the shares were sold to a number of institutions. At the end of yesterday's session the stock had retreated 8 to 620p with turnover reaching 19m.

Initially, analysts were [illegible] the [illegible] Foundation, the charitable body that [illegible] group until [illegible] restructuring, [illegible] still holds [illegible]. Any such move could have affected how GUS dealt [illegible] its large cash pile – estimated at £1.7bn for the year to March [illegible] hopes that the company will launch a share buy-back scheme.

Disease hits Geest

[illegible] in [illegible] and [illegible] oversupply forced banana [illegible] profits warning. The shares plummeted on [illegible] ing 87 down at 276p. Analysts, concerned at not being warned of the potential damage to profits of the disease at a round of meetings with the group in December, rushed [illegible] chop profits forecasts.

Strauss Turnbull, which was expecting profits of £12m, has [illegible] forecast [illegible] a [illegible] However, some food specialists said the low share price could encourage a bid, possibly from one [illegible] Geest's [illegible] admirers. The profit warning also hit Fyffes, although [illegible] shares recovered to close 5 off at 100p.

[illegible] group LWT Holdings eased 23 to 673p as it continued to throw up barriers to the recent bid by Granada. It predicted a rise of more than 40 per cent in its 1993 profits [illegible] expected [illegible] final dividend [illegible] 14p a share.

[illegible] leading [illegible] house is today advising clients [illegible] accept [illegible] offer arguing that Granada will not raise it and there are significant benefits for LWT shareholders. Granada fell 8 to 572p.

[illegible] perceived television takeover targets [illegible] Tyne Tees and Anglia rose 7 to 188p and 5 to 479p respectively.

[illegible] shares, among [illegible] performers last [illegible] as [illegible] benefits [illegible] falling interest [illegible] their impact [illegible] the [illegible], tumbled yesterday in the [illegible] of bearish notes from two stockbroking [illegible].

Hoare Govett [illegible] to [illegible] wrought [illegible] biggest [illegible] telling [illegible] that [illegible] sector [illegible] "fully [illegible] all measures," and weightings should [illegible] "selectively reduced." Robert Fleming Securities [illegible] also [illegible] have [illegible] advising [illegible] bearish [illegible].

Hoare told clients to use strength in [illegible] run up to February's full year figures [illegible] reduce weightings [illegible] HSBC, National Westminster and [illegible] but [illegible] bullish [illegible] long [illegible] prospects [illegible] TSB and Barclays.

Lloyds dropped 16 [illegible] 621p, Barclays and NatWest 12 apiece [illegible] and [illegible] 9 [illegible] 931p. Standard Chartered dropped 30 to 1179p. There was heavy trading in TSB, scheduled to announce preliminary figures tomorrow, [illegible] retreated 9 [illegible] 250p on turnover of [illegible].

Eurotunnel fell sharply after surprising [illegible] market with a pricing structure in line with rival ferry operators against expectations [illegible] the [illegible] tunnel operator would announce [illegible] more competitive pricing structure. The shares tumbled 17 to 608p, though the poor market trend was said to have played a part in the day's slide.

Eurotunnel's pricing structure cheered investors in ferry operator P&O. The shares were up 12 at best before relinquishing earlier gains in the poor market trend to end 3 lighter at 630p. Volume was 2.7m.

BAT Industries [illegible] 17 [illegible] 538p [illegible] US house [illegible] Stanley joined [illegible] surrounding [illegible] downgrading [illegible] stock and cutting [illegible] from £1.88bn.

[illegible] Holdings closed 9 higher at 1872p [illegible] Securities marking out [illegible] as [illegible] favoured [illegible] in the [illegible] The [illegible] built on sharp [illegible] following talk that Reed International was lining up [illegible] for [illegible] group. [illegible] fell 17 to 882p.

Mining [illegible] RTZ Corpora[illegible] chart analysts at [illegible] broker [illegible] Capel predicted [illegible] the [illegible] soon.

Leading pharmaceutical [illegible] from US buying [illegible] Monday night. Gains were [illegible] in late trading but [illegible] Wellcome gained [illegible] 696p and SmithKline Beecham lifted a [illegible] 407p [illegible] the 'A's.

British [illegible] 4½ [illegible] 347¼p, [illegible] the [illegible] about [illegible] potential.

Adding [illegible] a [illegible] note [illegible] Govett, the company's stockbroker.

Courtaulds Textiles [illegible] 8 to 517p [illegible] buoyant [illegible] after the [illegible] announced [illegible] had agreed to buy [illegible] French [illegible] and lace manufacturer.

[illegible] Industries [illegible] after the swimwear [illegible] lingerie group announced that [illegible] problems had hit 1993 sales. The shares slumped [illegible] to [illegible].

[illegible] attracted [illegible] of [illegible] support, [illegible] most [illegible] hitting all-time highs as turnover in the stock-market [illegible] continued at record levels.

Hambros jumped 15 [illegible] equal [illegible] shares' peak of 403p while Kleinwort Benson, which topped the 1993 mergers and acquisitions league table moved [illegible] 11 to 607p and threatened their pre-October [illegible] high of 615p. Singer [illegible] Friedlander advanced 3½ [illegible] 92p.

[illegible] results from [illegible] saw the [illegible] gain 4 to 75p. NatWest Securities has pencilled in [illegible] forecast of [illegible] for [illegible]. The same broker advised [illegible]tion [illegible] of Rank Organisation's results tomorrow; [illegible] shares dropped [illegible] to 993p.

Storehouse jumped [illegible] 13 per cent increase in [illegible] in [illegible] weeks [illegible] Christmas, against analysts expectations [illegible] around 7 per cent. However, the shares slipped [illegible] analysts digested [illegible] of [illegible] and worries were expressed about slightly weaker margins. The shares ended 3 down [illegible] 239p.

Hillsdown Holdings was [illegible] by [illegible] trading statement, the shares gaining 7 at 178p.

[illegible] distribution [illegible] Ellis [illegible] Everard rose [illegible] 245p [illegible] Hoare Govett published a buy recommendation and upgraded [illegible] 1994 and [illegible] fore[illegible].

MARKET REPORTERS:
Christopher [illegible]
Joel [illegible] Peter John,
[illegible] Thompson.

■ Other statistics, Page 19

NEW HIGHS AND LOWS FOR 1993/94

NEW HIGHS (407).

BANKS (3) Espirito Santo, Mitsubishi, Ottomane Bk., BREWERIES (1) Fuller S.T.A., BUILDING & CNSTRN (15) BLDG MATLS & MCHTS (15) CHEMICALS (5) BTP, British Vita, Croda Int., ICI, Perstorp AB B, DISTRIBUTORS (18) DIVERSIFIED INDLS (5) Adwest, Hawtin, Wassall, Williams, Do 8p Pf., ELECTRNC & ELECT EQUP (19) ENGINEERING (20) ENG, VECHICLES (3) BBA 6.75pc Pf., Trinity, Volkswagen, EXTRACTIVE INDS (25) FOOD MANUF (11) HEALTH CARE (5) Associated Nursing Servs., Court Cavendish, Quality Care Homes, Takare, Westminster Healthcare, HOUSEHOLD GOODS (7) INSURANCE (8) Archer (A.J.), Fenchurch, Hiscox Select Fd., Independent, Skandia, Syndicate Capital, INVESTMENT TRUSTS (104) INVESTMENT COMPANIES (6) Brazilian Tst., Indonesia Equity Fd., Do Wrts., Mediterranean Fd., Do Wrts., LEISURE & HOTELS (11) LIFE ASSURANCE (1) AEGON, MEDIA (10) MERCHANT BANKS (8) Close Bros, Joseph (L), Kleinwort Benson, Rea Bros., Schroders, Singer & Friedlander, OIL, EXPLORATION & PROD (2) Command, Europe Energy, OIL, INTEGRATED (1) Petrofina SA, OTHER FINANCIAL (14) OTHER SERVS & BUSNS (8) PHARMACEUTICALS (1) Zeneca, PRTNG, PAPER & PACKG (14) PROPERTY (32) RETAILERS, FOOD [illegible] Fitzwilton, Watson & Philip, RETAILERS, GENERAL (7) SPIRITS, WINES & CIDERS (1) Grand Met., SUPPORT SERVS (7) BET, BNB, Lynx, Nesco Invs., Serco, Vega, Waterman Partnership, TELECOMMUNICATIONS (3) GN Gt. Nordic, Securicor N/V, Vodafone, TEXTILES & APPAREL (5) [illegible] (3) WATER (1) Bristol Water, AMERICANS (5) CANADIANS (3)

NEW LOWS (18).

GILTS (7) BUILDING & CNSTRN (1) Clarke (T), ENGINEERING (1) Neotronics Tech. 8p, EXTRACTIVE INDS (1) Minorco, HEALTH CARE (3) Kynoch, Shield Diagnostics, MEDIA (1) Harrington [illegible], OTHER [illegible] (1) Policy Portfolio, PHARMACEUTICALS (1) British Bio-Tech., RETAILERS, FOOD (2) Budgens, Geest, SUPPORT SERVS (1) BSM, TEXTILES & APPAREL (1) Campari.

EQUITY FUTURES AND OPTIONS TRADING

Fading hopes of a [illegible] in UK interest rates brought about a heavy sell-off in the derivatives sector, pulling the underlying cash market lower, *writes Joel Kibazo.*

The March futures contract on the FT-SE 100 Index had been expected to come in strongly following the buoyant overnight performance of Wall Street. However, with [illegible] growing feeling [illegible] much anticipated reduction in [illegible] interest rates was unlikely in the near term, institutions needed few incentives to turn sellers.

Having opened at 3,455, around 8 points below Monday's closing level, the March contract tumbled further, with [illegible] number [illegible] equity [illegible] programmes [illegible] selling of the future.

Bargain hunting, together with anticipation of a higher Wall Street, reduced earlier losses and saw March move forward early in the afternoon for the first time in the [illegible]. But those hopes proved unfounded when Wall Street retreated at the opening, once again causing a slide in the [illegible].

The March future often traded at [illegible] discount during the session and it closed at the day's lowest point of [illegible] three-point discount to its fair value premium of around 13 points. Volume was 13,356 at the close.

Strong trading in the FT-SE 100 option boosted total turnover in the [illegible] to 40,776 lots, against a previous [illegible] dealt. The [illegible] in [illegible] FT-SE [illegible] option [illegible] 17,134, up from Monday's 9,131. [illegible] was the [illegible] among the stock options [illegible] a total of 3,520 contracts were traded, [illegible] single biggest [illegible] being in the May 200 calls and puts.

■ FT-SE 100 INDEX FUTURES (LIFFE) £25 per full index point

	Open	Sett price	Change	High	[illegible]	Est. vol	Open int.
Mar	3455.0	3426.5	[illegible]	[illegible]	3422.0	16936	67774
Jun	3458.0	3439.5	-36.5	[illegible]	[illegible]	302	[illegible]
Sep	3463.0	3458.5	-36.5	3463.0	3463.0	40	200

Contract traded on APT. Open interest figures are for previous day.

■ FT-SE 100 INDEX OPTION (LIFFE) (*3420) £10 per full index point

	3200 C	3200 P	3250 C	3250 P	3300 C	3300 P	3350 C	3350 P	3400 C	3400 P	3450 C	3450 P	3500 C	3500 P	3550 C	3550 P
Jan	216½	1	167½	2½	120½	8	77	12	40	25½	17½	55½	6½	95½	2½	142½
Feb	234	10	188	14	147	21½	108½	33	76½	52	48	77	29½	108	17	149
Mar	245½	20	204	28	164	38	128½	52½	96	71	69½	98	46½	125	33	160½
Apr	258	29	214	39	176½	49	143	68	113	85½	86	111	64	138½	46	171
Jun†	280	44			207	71			142	107			92	157		

Calls 6,201 Puts 12,265

■ EURO STYLE FT-SE 100 INDEX OPTION (LIFFE) £10 per full index point

	3125 C	3125 P	3175 C	3175 P	3225 C	3225 P	3275 C	3275 P	3325 C	3325 P	3375 C	3375 P	3425 C	3425 P	3475 C	3475 P
Jan	295½	½	235½	1	189½	2½	141½	4	95½	8½	56½	17	28½	39½	11½	70½
Feb	303½	5	256½	7½	216½	10	167½	16½	127½	25½	92	39	62	50	36½	86
Mar	311½	10½			222	20½			142½	41½			91	78		
Jun	337½	31½			262½	51½			190½	78½			132½	120		
Sept†	370	52½			295	72½			230	102½			171	141		

Calls 1,947 Puts 663 * Underlying index value. Premiums shown are based on settlement prices. † Long dated expiry months.

FT - SE Actuaries Share Indices — The UK Series

	Jan 11	Day's chge%	Jan 10	Jan 7	Jan 6	Year ago	Div. [illegible]	Earn. yield%	P/E ratio	Xd adj. ytd	Total Return
FT-SE 100	3413.8	-0.8	3440.6	3446.0	3403.0	2757.9	[illegible]	5.11	24.34	0.71	1250.52
FT-SE Mid 250	3889.2	-0.3	3901.4	3912.5	3849.0	2879.1	[illegible]	[illegible]	25.25	4.04	1411.62
FT-SE Mid 250 ex Inv Trusts	3885.5	-0.3	3896.0	3908.8	3841.2	2899.2	[illegible]	[illegible]	23.72	[illegible]	[illegible]
FT-SE-A 350	1711.0	-0.7	1722.6	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	1283.81
FT-SE SmallCap	1935.61	[illegible]	[illegible]	1916.89	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	0.98	[illegible]
FT-SE SmallCap ex Inv Trusts	1892.25	+0.4	[illegible]	[illegible]	[illegible]	[illegible]	3.00	[illegible]	33.25	[illegible]	[illegible]
FT-SE-A ALL-SHARE	1693.39	[illegible]	[illegible]	1705.99	[illegible]	[illegible]	3.34	[illegible]	[illegible]	[illegible]	[illegible]

■ FT-SE Actuaries All-Share

	Jan 11	Day's chge%	Jan [illegible]	Jan 7	[illegible] 6	[illegible] ago	Div. yield%	Earn yield%	P/E ratio	Xd adj. ytd	Total Return
10 MINERAL EXTRACTION(18)	[illegible]	-0.3	2627.74	2645.76	2624.85	1895.40	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
12 Extractive Industries(4)	3926.01	+0.6	3901.49	[illegible]	3762.16	3049.90	[illegible]	4.68	25.39	0.00	1056.51
15 Oil, [illegible]	2549.08	-0.4	2560.04	2582.60	2574.78	1763.90	[illegible]	5.01	[illegible]	0.00	[illegible]
[illegible] Oil Exploration [illegible] Prod(11)	[illegible]	-1.3	1834.55	1859.14	1832.99	1752.50	[illegible]	[illegible]	[illegible]	0.00	1026.76
20 GEN MANUFACTURERS(286)	2078.00	-0.1	2079.77	2079.71	2035.09	1597.30	[illegible]	[illegible]	[illegible]	0.69	[illegible]
[illegible] Building & Construction(31)	[illegible]	-0.5	1358.60	1362.30	1329.69	804.50	2.61	[illegible]	80.00†	[illegible]	1034.97
[illegible] [illegible] Matls & [illegible]	2253.38	-0.2	2258.15	2260.37	2210.45	[illegible]	[illegible]	[illegible]	[illegible]	1.14	[illegible]
23 Chemicals(20)	[illegible]	-0.1	2383.78	2389.73	[illegible]	[illegible]	[illegible]	[illegible]	‡	0.00	[illegible]
24 Diversified Industrials(16)	2046.52	-0.8	2064.83	2068.97	2017.42	1771.90	[illegible]	[illegible]	[illegible]	1.14	[illegible]
25 Electronic & Elect Equip(34)	2140.19	+0.6	2126.07	2111.65	2057.79	1861.10	3.50	[illegible]	22.28	[illegible]	[illegible]
26 Engineering(72)	[illegible]	+0.3	1852.01	1855.39	1834.01	1309.90	2.91	[illegible]	77.65	0.92	1036.92
27 Engineering, Vehicles(12)	2281.41	+0.2	2277.55	2296.19	2216.93	[illegible]	[illegible]	[illegible]	41.47	0.00	1072.33
[illegible] Printing, Paper & Pckg(27)	[illegible]	+0.9	2705.80	2685.78	2645.74	2158.40	[illegible]	[illegible]	28.23	[illegible]	[illegible]
29 Textiles & Apparel(22)	1904.35	-0.1	1906.42	1897.53	1855.07	1326.60	3.43	5.19	24.27	0.00	1046.46
30 CONSUMER GOODS(94)	[illegible]	-0.5	3030.87	3023.85	3006.12	2922.30	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible] Breweries(17)	[illegible]	-0.2	2328.82	2366.50	2331.69	2132.60	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
32 [illegible] Wines [illegible]	[illegible]	-0.3	3137.51	3110.60	3085.53	2871.70	[illegible]	[illegible]	[illegible]	0.24	[illegible]
33 Food [illegible]	[illegible]	-0.7	2541.70	2563.43	2538.08	2276.50	[illegible]	6.67	17.76	0.06	[illegible]
[illegible] Household Goods(12)	2768.41	-0.4	2778.85	2802.42	2821.74	2458.40	[illegible]	6.63	17.46	0.00	[illegible]
36 Health Care(20)	1841.71	+0.5	1832.46	1824.64	1806.50	[illegible]	[illegible]	[illegible]	22.97	[illegible]	1043.06
[illegible] Pharmaceuticals(10)	3222.42	+0.3	3213.47	3157.93	3175.22	[illegible]	[illegible]	[illegible]	[illegible]	0.00	[illegible]
[illegible] Tobacco(1)	[illegible]	-3.1	4651.75	4718.86	4622.39	4042.70	4.47	7.08	[illegible]	[illegible]	971.09
[illegible] SERVICES(221)	[illegible]	-0.5	2137.72	2143.29	2116.05	[illegible]	2.79	5.28	23.13	1.34	[illegible]
41 [illegible]	[illegible]	-0.1	3047.89	3046.19	2968.40	2408.20	2.75	[illegible]	[illegible]	[illegible]	[illegible]
42 Leisure & [illegible]	2220.15	-0.4	2228.51	2221.57	2174.58	1699.00	3.65	[illegible]	23.58	[illegible]	[illegible]
43 Media(40)	3034.34	-0.4	3046.84	3043.66	3007.58	2153.30	2.02	4.07	[illegible]	[illegible]	1032.48
44 Retailers, Food(17)	1796.42	-1.2	1818.80	1844.65	1826.45	2175.00	3.41	[illegible]	13.97	[illegible]	[illegible]
[illegible] [illegible] General(43)	1865.71	[illegible]	[illegible]	[illegible]	1877.37	1467.00	[illegible]	[illegible]	25.36	[illegible]	[illegible]
48 Support Services(40)	1745.01	+0.3	1739.56	1736.23	1697.19	1470.20	2.24	[illegible]	[illegible]	[illegible]	[illegible]
49 Transport(16)	2672.22	-0.6	2689.48	2701.07	2646.68	1917.70	[illegible]	3.40	33.22	[illegible]	[illegible]
[illegible] Services & Business(12)	[illegible]	-0.1	[illegible]	1219.25	1208.26	1359.10	3.67	3.51	40.59	0.00	1032.56
[illegible] UTILITIES(36)	2654.82	-0.9	2680.07	2688.64	2637.85	1977.70	3.75	8.03	15.02	[illegible]	[illegible]
62 Electricity(17)	2475.51	-0.8	2494.42	2497.00	2439.88	1558.70	3.34	10.07	12.21	[illegible]	[illegible]
64 Gas [illegible]	[illegible]	-1.2	2334.97	2369.77	2320.18	1847.40	[illegible]	[illegible]	[illegible]	0.00	[illegible]
66 Telecommunications(4)	[illegible]	-1.1	[illegible]	2402.35	2367.79	1854.00	3.33	[illegible]	20.62	0.00	[illegible]
68 Water(13)	[illegible]	-0.6	[illegible]	2027.35	1981.09	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	968.98
69 NON-FINANCIALS(632)	[illegible]	-0.5	1813.71	[illegible]	1790.95	[illegible]	[illegible]	5.50	22.29	0.78	[illegible]
70 FINANCIALS(108)	[illegible]	-1.3	2595.21	2599.17	2570.93	1682.30	[illegible]	2.98	46.86	[illegible]	[illegible]
71 Banks(10)	3300.11	-1.6	3353.87	3354.79	3319.95	2052.80	2.83	3.47	[illegible]	[illegible]	[illegible]
73 Insurance(18)	1542.74	-1.8	[illegible]	[illegible]	[illegible]	1292.50	[illegible]	‡	‡	[illegible]	1016.40
74 Life Assurance(6)	[illegible]	-1.2	2854.22	2887.57	[illegible]	[illegible]	[illegible]	4.31	29.18	0.00	1038.38
75 Merchant Banks(6)	3505.45	+0.7	3479.44	3470.49	3426.31	[illegible]	2.53	6.24	[illegible]	0.00	1027.14
77 Other Financial(25)	1992.40		1992.19	1985.40	1965.12	1199.30	3.12	5.32	23.85	[illegible]	[illegible]
79 Property(40)	1761.60	-0.8	1776.21	1772.56	1765.65	[illegible]	[illegible]	3.17	[illegible]	1.21	[illegible]
80 INVESTMENT TRUSTS(116)	3044.59	-0.6	3063.69	3056.53	3039.57	2043.50	2.07	1.67	[illegible]	2.48	[illegible]
89 FT-SE-A ALL-SHARE(856)	[illegible]	-0.6	1703.84	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	0.66	[illegible]

■ Hourly movements

	Open	9.00	10.00	11.00	12.00	13.00	[illegible]	15.00	16.10	High/day	Low/day
FT-SE 100	3442.5	[illegible]	3431.1	3426.0	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
FT-SE Mid 250	3907.6	3897.3	3892.4	[illegible]	[illegible]	3895.8	3897.0	3898.0	3889.8	[illegible]	[illegible]
FT-SE-A 350	1723.9	1720.4	1719.0	[illegible]	1717.7	[illegible]	[illegible]	1719.1	1711.9	1723.9	[illegible]

Time of FT-SE 100 High 8.30am Low 4.24pm

■ FT-SE Actuaries 350 Industry baskets

	Open	9.00	10.00	11.00	12.00	13.00	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Change
Bldg & Cnstrcn	1328.4	1322.8	1321.0	[illegible]	1325.1	[illegible]	[illegible]	[illegible]	1317.0	[illegible]	[illegible]	-10.6
Pharmaceuticls	3195.3	3197.3	[illegible]	[illegible]	3192.1	3195.9	[illegible]	[illegible]	3193.8	[illegible]	[illegible]	+9.2
Water	2028.9	2017.7	[illegible]	2017.5	2014.0	2015.3	2015.7	2016.9	[illegible]	2008.1	[illegible]	-13.1
Banks	3386.7	3381.8	3374.6	3369.8	[illegible]	3376.7	3378.5	3380.2	[illegible]	[illegible]	3398.8	[illegible]

Additional information on the FT-SE Actuaries Share Indices is published in Saturday issues. Lists of constituents are available from The Financial Times Limited, One Southwark Bridge, London SE1 9HL. The FT-SE Actuaries Share Indices Service, which covers a range of electronic and paper-based products relating to these indices, is available from FINSTAT at the same address.
The FT "500" has been renamed FT-SE-A [illegible] Financials Index. The FT-SE 100, the FT-SE Mid 250, FT-SE Actuaries 350 and the FT-SE Actuaries Industry baskets are calculated by the International [illegible] Exchange of the United [illegible] and Republic of Ireland and [illegible] FT[illegible] Actuaries All-Share Index is compiled by The Financial Times Limited, both in conjunction with the Institute of Actuaries and the Faculty of Actuaries under a standard set of ground rules.

"FT-SE" [illegible] marks [illegible] marks of the London [illegible] Exchange and The Financial Times Limited. The FT-SE Actuaries Share Indices are audited by The [illegible] Company. † Sector P/E ratios greater than 80 are not shown. ‡ Values are negative. CONSTITUENT CHANGE: NAME CHANGE: Sanderson Murray & Elder 10p now Sanderson Bramall 10p.

TRADING VOLUME

■ Major Stocks yesterday

	[illegible] 000s	[illegible] price	[illegible] change
ASDA Group†	8,500	[illegible]	
Abbey National†	3,600	[illegible]	-2
Albert Fisher	6,700	[illegible]	-2
Allied-Lyons†	[illegible]	671	+2
Anglian Water†	1,300	557	+2
Argos	274	380	-7
Argyll Group†	3,000	284	-1
Arjo Wiggins†	1,300	255	+2
Assoc. Brit. Foods†	[illegible]	572	+1
Ass. Brit. Ports	[illegible]	580	+2
BAA†	[illegible]	[illegible]	-5
BAT Inds.†	8,100	535	-17
BET	5,700	151½	+2½
BICC	1,400	447	+6
BOC†	1,200	680	-5
BP†	9,100	365½	-2½
BPB Inds.	[illegible]	[illegible]	[illegible]
BT†	8,600	[illegible]	-6
BT (Pt Paid)	4,000	[illegible]	-5
BTR†	6,800	[illegible]	[illegible]
Bank of Scotland†	1,400	[illegible]	[illegible]
Barclays†	6,300	597	-12
Bass†	2,800	562	-7
[illegible] Circle†	[illegible]	348	[illegible]
[illegible]	[illegible]	440	[illegible]
[illegible]	[illegible]	569	[illegible]
[illegible]	2,700	464	+6
Brit. Aerospace†	2,000	445	+6
British Airways†	3,200	461	-3½
British Gas†	8,700	347½	-4½
British Land	633	403	-7
British Steel†	8,400	128	-1
Bunzl	5,200	181	+6½
Burmah Castrol†	483	842	-3
Burton	3,600	[illegible]	[illegible]
Cable & Wire.†	6,300	[illegible]	+2
Cadbury [illegible]	2,200	536	-2
[illegible] Group	210	336	[illegible]
[illegible]	1,000	426	+2
[illegible] Comms.†	[illegible]	950	-10
[illegible] Viyella†	1,600	264	-2
Comm. Union†	3,000	599	-10
Cookson	3,700	251	-3
Courtaulds†	1,000	517½	-7½
[illegible]	184	613	+8
De La Rue	[illegible]	879	-1
Dixons	[illegible]	236	-7
Eastern Elect.†	532	647	-14
East Midland Elec.	796	630	-5
Eng China Clays	1,600	507	+1
Enterprise Oil†	720	489	-5
Eurotunnel Units	646	[illegible]	-17
FKI	972	[illegible]	-2
Fisons	[illegible]	140½	-½
Foreign & Col. I.T.	394	297½	+1
Forte†	[illegible]	284	+2
Gen. Accident†	[illegible]	729	-9
General Elect.†	[illegible]	[illegible]	+1½
Glaxo†	[illegible]	[illegible]	[illegible]
Glynwed Int.	261	358½	-3½
Granada†	4,100	572	-8
Grand Met.†	6,800	[illegible]	[illegible]
GUS†	19,000	620	-5
GRE†	2,000	227	-8
GKN	213	567	+1
Guinness†	2,700	490	
HSBC (75p shs)†	1,800	[illegible]	-10
Hammerson	18	[illegible]	-2
Hanson†	7,200	271¼	-1
Harrisons Crosfield	[illegible]	204	+5
Hays	598	297	+1
Hillsdown	14,000	178	+7
IMI	294	347	+1
ICI†	[illegible]	796	+2
Inchcape†	1,300	644	-10
Johnson Matthey	447	558	-1
Kingfisher†	3,000	723	-14
Kwik Save	45	617	-1
Ladbroke†	[illegible]	[illegible]	-2
Land Securities†	2,900	755	-13
Laporte	148	770	+2
Legal & General†	1,400	531	-2
Lloyds Abbey	634	[illegible]	-3
Lloyds Bank†	3,900	620	-17
LASMO	674	121	-2
London Elect.	1,200	630	-5
Lonrho	1,000	144½	-3
Lucas	[illegible]	207	
MEPC†	778	[illegible]	-10
MFI	4,600	[illegible]	+4
Manweb	[illegible]	[illegible]	-7
Marks & Spencer†	[illegible]	460	+½
Midlands Elect.	1,400	687	-3
Morrison (Wm.)	[illegible]	110	-2
NFC	[illegible]	263	-3
NatWest Bank†	4,000	597	-13
National Power†	2,900	492	+2½
Next	1,600	224	-5½
North West Water†	375	584	-2
[illegible]	321	709	-14
[illegible]	3,800	244½	-6½
Norweb	284	720	-18
Pearson†	864	[illegible]	-4
P & O†	[illegible]	630	-3
Pilkington	8,800	[illegible]	+4
PowerGen†	2,000	561	+4
Prudential†	2,000	372	-7
RMC†	[illegible]	1010	+6
RTZ†	[illegible]	853	+6
Racal	[illegible]	201	+2
Rank Org.†	1,400	993	[illegible]
Reckitt & Colman†	[illegible]	685	-4
Redland†	[illegible]	601	-6
Reed Intl.†	1,800	882	-17
Rentokil†	2,200	247	-2
Reuters†	2,400	1872	+9
Rolls Royce†	8,100	168	
Ryl Bk Scotland†	5,200	461	-3
Royal Insurance†	[illegible]	333	-5
Sainsbury†	[illegible]	454	-3
Schroders†	16	[illegible]	+2
Scottish & New.†	1,500	[illegible]	+2
Scot. Hydro-Elect.†	[illegible]		
Scottish Power†	1,700	[illegible]	-5
Sears†	[illegible]	[illegible]	-4
Sedgwick	5,200	188	-6
Seeboard	435	721	-14
Severn Trent†	1,500	696	-2
Shell Transport†	3,300	737	-2
[illegible]†	3,100	585	+1
Slough Ests	171	270	+2
Smith (W.H.) A	263	522	-1
[illegible] & Nephew†	3,700	158	
SmKl Beecham†	[illegible]	[illegible]	+7
SmKl Beecham Uts.†	[illegible]		+6
Smiths Inds.	1,800	473½	+4½
Southern Elect.†	[illegible]	668	-13
South Wales [illegible]	[illegible]	733	-10
South West Water	199	626	+1
South W[illegible] Elect.	397	661	-19
Southern [illegible]	[illegible]	635	-6
Standard Chartd.†	1,100	1179	-30
Storehouse	[illegible]	239	-3
Sun Alliance†	[illegible]	398	-11
T&N	[illegible]	224	+1
TI Group†	6,800	[illegible]	+9
TSB†	9,400	250	-9
Tarmac	2,200	187	-5
Tate & Lyle	[illegible]	[illegible]	[illegible]
Taylor Woodrow	1,700	156	-3
Tesco†	6,700	229½	-4
Thames Water†	594	570	-5
Thorn EMI†	1,500	1063	+1
Tomkins†	4,400	255	-1
Trafalgar House	5,000	101½	+½
Unigate	813	405	-4
Unilever†	2,100	1178	-22
United Biscuits†	1,400	384	
U[illegible]	187	655½	-2½
Vodafone†	6,300	611	+1
Warburg (SG)†	[illegible]	[illegible]	-7
Wellcome†	2,400	696	[illegible]
Welsh Water	147	678	-9
Wessex Water	225	697½	-12½
Whitbread 'A'†	964	572½	+3½
Williams Hldgs.†	1,100	395	-6
Willis Corroon	6,500	[illegible]	-7½
[illegible]	662	[illegible]	-9
Wolseley†	253	[illegible]	-8
Yorkshire Elect.	618	[illegible]	-10
Yorkshire Water	273	[illegible]	-7
Zeneca†	1,700	860	-7

Based on trading volume for a selection of major securities dealt through the SEAQ system yesterday until 4.30pm. Trades of one million or more are rounded down. † Indicates an FT-SE 100 Index constituent

LONDON EQUITIES

LIFFE EQUITY OPTIONS

Option		Calls Jan	Calls Apr	Calls Jul	Puts Jan	Puts Apr	Puts Jul
Allied-Lyons	650	29	51	59	[illegible]	[illegible]	34
(*672)	700	4½	28½	34	33	45½	61½
Argyll	280	18½	30	36	3½	[illegible]	19½
(*294)	300	6½	18½	25½	11½	21½	[illegible]
ASDA	50	11	12½	18	1	2½	[illegible]
[illegible]	60	2	6½	8	[illegible]	6	8
Brit Airways	460	[illegible]	[illegible]	[illegible]	8	[illegible]	28
(*480)	500	6½	[illegible]	[illegible]	24	[illegible]	[illegible]
[illegible]	[illegible]	24	38½	50½	8	17½	28½
(*407)	420	7	24½	35½	19½	[illegible]	[illegible]
[illegible]	550	[illegible]	[illegible]	63	[illegible]	15	28½
(*569)	600	[illegible]	17	[illegible]	[illegible]	43	53½
BP	360	12½	25	32½	6½	[illegible]	21
(*368)	390	[illegible]	[illegible]	18	25½	[illegible]	36
British Steel	120	[illegible]	[illegible]	18	2	6½	[illegible]
(*128)	130	3	[illegible]	12½	6½	[illegible]	18
Bass	550	18½	40½	53½	5	20½	31
[illegible]	[illegible]	[illegible]	18½	30	41½	49½	60½
[illegible]	500	21½	38½	53½	[illegible]	[illegible]	29½
(*512)	525	8	[illegible]	[illegible]	[illegible]	32	42½
[illegible]	[illegible]	[illegible]	42	[illegible]	3½	15	26½
(*519)	550	[illegible]	[illegible]	24	34½	43	[illegible]
Comm Union	550	28½	[illegible]	[illegible]	8	23½	[illegible]
[illegible]	700	4½	16½	[illegible]	38	53	58
ICI	[illegible]	[illegible]	[illegible]	[illegible]	2½	27	[illegible]
(*795)	800	[illegible]	[illegible]	52½	[illegible]	[illegible]	[illegible]
[illegible]	700	[illegible]	[illegible]	70	[illegible]	[illegible]	[illegible]
(*721)	750	[illegible]	31	48	34½	48½	61
Land Secur	750	18	38	46½	9	22½	35½
(*754)	800	1½	14	23	48½	52½	67
Marks & S	420	[illegible]	[illegible]	[illegible]	1½	7½	[illegible]
(*450)	[illegible]	6	[illegible]	[illegible]	15	[illegible]	[illegible]
[illegible]	550	52½	59½	69½	1½	12½	19½
(*688)	[illegible]	[illegible]	27	40½	13	34½	42
[illegible]	[illegible]	37	[illegible]	[illegible]	2	9	17½
(*453)	460	6½	25	33½	14	[illegible]	30
Shell Trans.	700	41	50	60½	2	15	22½
(*736)	750	[illegible]	[illegible]	[illegible]	20	41½	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	9½
(*239)	240	[illegible]	[illegible]	[illegible]	7	13½	18½
Trafalgar	97	8	14	20½	3½	7½	11½
(*101)	108	3½	9½	16	8	13	16
[illegible]	[illegible]	38	52½	62½	[illegible]	34	48½
(*1175)	1200	8	35	56	31½	61½	72½
[illegible]	850	25½	48½	65	14½	44	56½
[illegible]	900	6	25½	44	48	75	86
Option		Feb	May	Aug	Feb	May	Aug
Grand Met	460	34	44	52	8	17	22
(*490)	500	[illegible]	[illegible]	[illegible]	29	37½	42
[illegible]	180	24½	30	34	4	13	[illegible]
(*198)	200	11½	18½	24	12	23	27
Utd [illegible]	360	32	37	43½	5	14	19½
(*384)	390	13½	19	27½	17	30	35½
Option		Mar	Jun	Sep	Mar	Jun	Sep
[illegible]	140	16	23	29	14½	[illegible]	[illegible]
(*140)	160	8½	15½	21½	27½	33½	37
[illegible]		Feb	May	Aug	Feb	May	Aug
Brit Aero	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	26	[illegible]
(*445)	460	17	33½	47	32½	47	56½
BAT Inds	500	[illegible]	53	[illegible]	5½	16	25
(*537)	550	[illegible]	23	32½	25	42½	52
BTR	330	29	[illegible]	[illegible]	4	11½	15
(*353)	360	10½	16½	24½	16½	26½	30½
Brit Telecom	460	16½	27½	35½	10½	18	24
(*484)	500	3½	10½	17	[illegible]	41	48
Cadbury Sch	500	3½	[illegible]	[illegible]	[illegible]	41	[illegible]
(*535)	[illegible]	1	2½	29½	88½	[illegible]	[illegible]
Eastern Elec	600	[illegible]	62	72	8	12	23
(*647)	650	16½	31½	42½	25½	32½	46½
[illegible]	460	[illegible]	48½	56½	6½	16	24
(*488)	500	13½	25½	34½	23	38½	45
[illegible]	330	14½	23	28	7½	13	[illegible]
(*334)	360	3	9	14	28	31	37½

Option		Calls Feb	Calls May	Calls Aug	Puts Feb	Puts May	Puts Aug
Hanson	260	17	20	23½	3	8	11½
(*272)	280	6½	10	[illegible]	[illegible]	18	[illegible]
Lasmo	120	10½	[illegible]	[illegible]	9½	[illegible]	[illegible]
(*121)	130	7	14	[illegible]	[illegible]	20½	25
Lucas Inds	200	16½	21½	27	5	12	15½
(*207)	220	6½	[illegible]	[illegible]	17½	23	27
P & O	600	45	[illegible]	68½	11½	23½	29½
(*630)	650	17	29	43½	34	49½	55½
Pilkington	180	12	18	23	6½	12	18½
(*184)	200	4	9	[illegible]	[illegible]	[illegible]	27½
[illegible]	360	22	[illegible]	[illegible]	8	18	20½
(*371)	390	6½	12	[illegible]	23½	34	[illegible]
RTZ	850	32½	60½	[illegible]	24	[illegible]	51½
(*854)	900	[illegible]	[illegible]	[illegible]	[illegible]	71	79½
Redland	600	[illegible]	[illegible]	[illegible]	21	41½	[illegible]
(*601)	650	7½	17½	28½	54½	76	81
Royal Insce	330	16½	23½	32	[illegible]	20½	25
(*333)	360	[illegible]	[illegible]	[illegible]	[illegible]	39	[illegible]
Tesco	220	[illegible]	[illegible]	[illegible]	8	[illegible]	[illegible]
(*229)	240	[illegible]	12	18	18	[illegible]	27
Vodafone	600	[illegible]	[illegible]	76	21	[illegible]	50
(*613)	[illegible]	[illegible]	38½	53	61	84½	[illegible]
Williams	[illegible]	[illegible]	[illegible]	33	6½	21	28
(*395)	420	[illegible]	[illegible]	20½	29	36½	43½
Option		Jan	Apr	Jul	Jan	Apr	Jul
BAA	[illegible]	[illegible]	55½	74½	15	37½	53
(*1053)	[illegible]	4½	32	81	51½	65	80½
Thames Wtr	550	29	41½	50½	4	15½	29
[illegible]	600	2½	16	25	33½	40	57½
Option		Mar	Jun	Sep	Mar	Jun	Sep
Abbey Natl	460	40	46½	56	12	18½	26
(*487)	500	16½	28½	35½	33	39½	46
[illegible]	40	8	9	11½	2½	4	5
(*44)	45	4½	6½	8½	5	6½	8
Barclays	550	61½	[illegible]	78	11½	[illegible]	24½
[illegible]	600	28	[illegible]	50	30½	[illegible]	46½
Blue Circle	330	32	37	46½	11½	21½	[illegible]
(*346)	360	16	22½	[illegible]	[illegible]	[illegible]	[illegible]
British Gas	330	27	32½	38	6	13	18½
(*347)	360	10	15½	20½	[illegible]	29	32½
[illegible]	[illegible]	[illegible]	[illegible]	35½	7	12	18
(*236)	240	14½	[illegible]	25½	16½	21	27½
Hillsdown	160	28	27	28	3	7½	10½
(*179)	180	[illegible]	[illegible]	18	10½	18	21
Lonrho	140	14	20	25½	8½	[illegible]	16½
(*145)	160	6	[illegible]	17	21	25½	29
Natl Power	460	45½	55½	61	8½	16½	22½
(*491)	500	22½	34½	39½	25½	[illegible]	41
Scot Power	460	22	33½	42½	19	[illegible]	[illegible]
(*463)	500	7½	[illegible]	28	46½	51	57½
Sears	120	9½	[illegible]	15	4½	7½	9
(*124)	130	4½	8	10½	10½	13½	[illegible]
Forte	260	17½	23	28½	12½	19½	[illegible]
(*264)	280	8	14	19½	24	31½	35½
[illegible]	[illegible]	[illegible]	22	–	7	11½	–
(*187)	[illegible]	11½	17	–	15½	21	–
Thorn EMI	1050	52½	77½	93½	30	43½	63
(*1062)	1100	28½	52½	[illegible]	58½	69½	[illegible]
[illegible]	240	[illegible]	[illegible]	[illegible]	8½	[illegible]	19
[illegible]	260	10½	17	24	19½	24	30
Tomkins	240	21½	28	33½	7½	10½	15
(*254)	260	10	16½	22½	14	[illegible]	29
Wellcome	650	72½	88	108	18½	34	42½
(*696)	700	44	63	81½	39½	58½	66½
Option		Apr	Jul	Oct	Apr	Jul	Oct
Glaxo	650	62½	[illegible]	97	29	42½	58
(*683)	700	38	60	71½	54½	67½	84
HSBC 75p shs	900	62	84	97½	49½	65½	74½
[illegible]	950	39	61	75	78	93½	102
Reuters	[illegible]	107	157	182	82½	110	[illegible]
(*1871)	1900	79½	[illegible]	155	108	135	147
Option		Feb	May	Aug	Feb	May	Aug
[illegible]	156	16	–	–	4	–	–
(*166)	175	5½	–	–	15	–	–

* Underlying security price. Premiums shown are based on closing offer prices.
January 11. Total contracts: 42,009 Calls: 19,295 Puts: 22,714

TRADITIONAL OPTIONS

First Dealings Jan 10
Last Dealings Jan 21
Last Declarations April 7
For [illegible] April [illegible]

[illegible] Betterware, [illegible] Mining, Colorvision, FNFC, Greenwich Res., Greycoat, Higgs [illegible] Hill, Kunick, NHL, Signet Pref., Tullow Oil Puts: London Intl., Marley Puts & Calls: Hartstone, Kunick, Lonrho, Signet

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	5	69	4
Other Fixed Interest	2	3	10
Mineral Extraction	72	55	81
General Manufactures	218	130	334
Consumer Goods	62	39	93
Services	161	109	257
Utilities	11	25	10
Financials	92	104	198
Investment Trusts	109	106	261
Others	66	28	33
Totals	798	668	1271

Data based on those companies listed on the London Share Service.

LONDON RECENT ISSUES: EQUITIES

[illegible] price p	[illegible] up	Mkt. [illegible] (£m.)	1993/94 High	1993/94 Low	Stock	[illegible] price p	+/-	[illegible]	Div [illegible]	[illegible]	P/E [illegible]
100	F.P.	[illegible]	102	100	[illegible] C	100½		-	-	-	-
[illegible]	F.P.	26.8	[illegible]	92	[illegible] Lloyds	96		-	-	-	-
100	F.P.	[illegible]	[illegible]	96	[illegible]	110		-	-	-	-
[illegible]	F.P.	293.2	[illegible]	178	Chelsfield	181	-1½	[illegible]	-	1.7	-
280	F.P.	333.6	320	288	DFS [illegible]	[illegible]	+1	[illegible]	2.1	2.5	-
[illegible]	F.P.	63.7	100	[illegible]	[illegible] Eur [illegible]	98		-	-	-	-
-	F.P.	[illegible]	[illegible]	101½	Finsbury [illegible]	111		-	-	-	-
100	F.P.	47.0	117½	[illegible]	[illegible] Col Small C	117½		-	-	-	-
[illegible]	P.P.	17.7	60	[illegible]	[illegible] Eth	59		-	-	-	-
120	F.P.	[illegible]	[illegible]	[illegible]	Do. Units	123		-	-	-	-
60	P.P.	[illegible]	63	62	Do. Zero Div Pf	[illegible]	-¼	-	-	-	-
[illegible]	F.P.	[illegible]	208	[illegible]	[illegible]	201		[illegible]	2.0	[illegible]	[illegible]
-	F.P.	[illegible]	119	[illegible]	[illegible] Emrg. C	113	-3	-	-	-	-
[illegible]	F.P.	[illegible]	110	[illegible]	[illegible] Inc	109		-	-	-	-
-	F.P.	[illegible]	31	22½	[illegible]	27	[illegible]	-	-	-	-
-	F.P.	[illegible]	[illegible]	3	§Harmony [illegible]	[illegible]		-	-	-	-
100	F.P.	[illegible]	[illegible]	[illegible]	[illegible]	125	[illegible]	[illegible]	2.1	[illegible]	11.8
50	P.P.	10.3	[illegible]	[illegible]	Kleinwort 2nd End	51½		-	-	-	-
[illegible]	F.P.	[illegible]	240	[illegible]	[illegible]	240	[illegible]	[illegible]	2.0	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	[illegible] Ind	[illegible]	+1	[illegible]	1.2	2.4	24.1
100	F.P.	[illegible]	110	94½	[illegible]	108		-	-	-	-
100	F.P.	[illegible]	[illegible]	96	Mercury Wrld Mng	114½	-½	-	-	-	-
100	F.P.	26.3	111	[illegible]	NM [illegible]	110		-	-	-	-
-	F.P.	[illegible]	61	42	Do. [illegible]	[illegible]	+2½	-	-	-	-
[illegible]	F.P.	[illegible]	[illegible]	139	[illegible]	[illegible]	+1	[illegible]	1.8	4.5	[illegible]
100	F.P.	[illegible]	[illegible]	92	[illegible] London Cap	99		-	-	-	-
[illegible]	F.P.	[illegible]	120	94	[illegible] Info	117	-1	-	-	-	-
[illegible]	F.P.	16.4	107	100	Pilot [illegible] C	[illegible]	+1	-	-	-	-
[illegible]	F.P.	-	[illegible]	46	[illegible]	46		-	-	-	-
[illegible]	F.P.	[illegible]	11½	10¼	[illegible]	11	+½	-	-	-	-
[illegible]	F.P.	9.39	[illegible]	60	§Securitised [illegible]	62		[illegible]	[illegible]	7.1	11.0

† Introduction. § Placing price. F.P. Fully-paid security. For an explanation of other notes, please refer to the Guide to the London Share Service.

FIXED INTEREST STOCKS

[illegible] [illegible] £	[illegible] paid up	[illegible] [illegible] date	1993/94 [illegible]	[illegible]	[illegible]	Closing [illegible] [illegible] £	
-	F.P.	-	[illegible]	90	Budgens 5pc Cv 2003	94	
-	F.P.	-	110¼p	[illegible]	Sun Alliance 7⅜pc Pf	106¾p	-1
100p	Nil	-	40ppm	[illegible]	Trafalger [illegible]	37½ppm	
-	F.P.	-	[illegible]	107	Witan 6¼pc Bds	126½	

pm Price at a premium. p [illegible]

RIGHTS OFFERS

[illegible] price £	[illegible] paid up	Latest [illegible] date	1993/94 High	[illegible]	[illegible]	Closing [illegible] [illegible] p	
48	Nil	17/2	14pm	[illegible]	[illegible] Irish	14pm	+1
325	Nil	17/1	103pm	83pm	[illegible]	103pm	
73	Nil	31/1	29pm	28pm	[illegible]	[illegible]	+1
5	Nil	[illegible]	9½pm	5pm	Europe Energy	9½pm	
25	Nil	8/2	[illegible]	[illegible]	[illegible]	[illegible]	
[illegible]	Nil	14/1	23pm	11pm	Wyevale [illegible]	19pm	

pm Price at a premium.

FINANCIAL TIMES EQUITY INDICES

	Jan 11	Jan 10	Jan 7	[illegible]	Jan 5	Yr ago	*High	*Low
Ordinary share	[illegible]	[illegible]	2617.4	[illegible]	2546.2	2137.0	2617.4	2124.7
[illegible]	3.57	[illegible]	[illegible]	[illegible]	3.67	4.40	4.52	3.56
Earn. yld. % full	[illegible]	[illegible]	4.04	[illegible]	4.15	6.04	[illegible]	[illegible]
P/E [illegible] net	[illegible]	[illegible]	31.27	[illegible]	[illegible]	21.11	[illegible]	[illegible]
P/E [illegible] nil	28.91	28.99	[illegible]	28.57	26.17	[illegible]	28.99	18.14
Gold [illegible]	[illegible]	259.4	[illegible]	271.7	[illegible]	61.3	[illegible]	60.0

*For 1993/94. Ordinary share index since compilation: high 2617.4 07/01/94; low 49.4 26/6/40
Predecessor Gold Mines index since compilation high: 734.7 15/2/83 - low 43.5 26/10/71
Ordinary share base date 1/7/35; Gold Mines 12/9/55.

Ordinary [illegible] changes

Open	9.00	[illegible]	11.00	12.00	[illegible]	14.00	15.00	16.00	High	[illegible]
2618.4	[illegible]	[illegible]	[illegible]	2615.6	2620.4	[illegible]	2619.0	2606.7	[illegible]	[illegible]

	Jan 11	Jan 10	Jan 7	Jan 6	Jan 5	Yr ago
SEAQ [illegible]	37,838	45,771	41,496	38,415	[illegible]	26,977
Equity turnover (£m)†	-	[illegible]	2247.1	[illegible]	[illegible]	1070.6
Equity bargains†	-	51,847	49,832	[illegible]	[illegible]	[illegible]
[illegible] (mil)†	-	756.3	939.0	899.7	1004.4	534.3

† Excluding intra-market business and overseas turnover.

LONDON SHARE SERVICE

BANKS

BREWERIES

BUILDING & CONSTRUCTION

BUILDING MATS. & MERCHANTS

BUILDING MATS. & MERCHANTS - Cont.

CHEMICALS

DISTRIBUTORS

DIVERSIFIED INDUSTRIALS

ELECTRICITY

ELECTRONIC & ELECTRICAL EQPT

ELECTRONIC & ELECTRICAL EQPT - Cont.

ENGINEERING

ENGINEERING VEHICLES

EXTRACTIVE INDUSTRIES

FOOD MANUFACTURERS

GAS DISTRIBUTION

HEALTH CARE

HOUSEHOLD GOODS

INSURANCE

INVESTMENT TRUSTS

INVESTMENT TRUSTS - Cont.

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LONDON SHARE SERVICE

INVESTMENT TRUSTS - Cont.

	Notes	Price	+ or -	1993/94 high	low	Yld Gr's	NAV	Dis or Pm(-)
RIT Capital	□	185	-2	189	100	0.8	214.4	[illegible]
2½pc Cv Ln 2000		£184½	—	£185½	£100½	1.4	-	-
Radiotrust	□	78	+3	78	47	-	59.3	-30.6
Rights & Iss Inc	†	153	—	154	114	8.9	-	-
Cap		475	—	475	303	2.2	588.2	10.8
Riv & Merc Am Inc		115	—	115	108	8.5	-	-
Cap	□	34	—	35	27	-	47.3	28.1
Warrants		14	—	14	11	-	-	-
Riv & Mer Est	N□	135	+2	135	87	7.2	136.1	3.4
Warrants		33	+2	34	13	-	-	-
Zero Div Pf		117½	—	117½	103	-	-	-
Riv & Mer Geared		116	—	116	81	8.1	-	-
Prld Cap 1999		34½	—	34½	18	-	40.6	15.0
Riv & Merc Smllr	N□	148	—	148	95	3.4	142.4	-3.6
Warrants		51	—	53	22	-	-	-
Riv & Merc Tst Inc	□	126½	—	127	108	9.2	-	-
Cap	□	140	+1	148	55	-	[illegible]	45.5
Warrants		23	+1	33	8	-	-	-
Do. Stppd Prf	N	161¾	-½	162	147	4.3	-	-
River Plate Inc	N□	112	—	119	98	9.9	-	-
Cap		104	—	105	26	-	194.1	46.4
Warrants		10	+½	18	1	-	-	-
Zero Div Pf		84	—	84	77	-	-	-
St Andrew		285	—	285	[illegible]	3.2	322.0	8.4
St David's Inc	M	142	—	153	128	12.6	-	-
Cap		298	+2	298	76	-	353.8	41.8
Zero Prf		150	—	150½	131	-	-	-
SPLIT Inc		188	—	270	175	21.1	-	-
Cap		1230	+5	1235	620	-	1449.2	15.6
Schroder Korea Fund		984	+1	989	491	0.1	-	-
Warrants		578	+1	674	[illegible]	-	-	-
Schroder Split Inc	M□	128	—	127	[illegible]	6.7	-	-
Capital	□	39½	—	33	[illegible]	-	122.8	78.2

[illegible]

LEISURE & HOTELS - Cont.

[illegible]

LIFE ASSURANCE

[illegible]

MEDIA

[illegible]

OTHER FINANCIAL

[illegible]

PROPERTY - Cont.

[illegible]

SPIRITS, WINES & CIDERS - Cont.

[illegible]

SUPPORT SERVICES

[illegible]

TRANSPORT - Cont.

[illegible]

WATER

[illegible]

AMERICANS

[illegible]

OTHER SERVICES & BUSINESSES

[illegible]

TELECOMMUNICATIONS

[illegible]

CANADIANS

[illegible]

TEXTILES & APPAREL

[illegible]

RETAILERS, FOOD

[illegible]

PHARMACEUTICALS

[illegible]

INVESTMENT COMPANIES

[illegible]

MERCHANT BANKS

[illegible]

OIL, EXPLORATION & PRODUCTION

[illegible]

PRINTING, PAPER & PACKAGING

[illegible]

RETAILERS, GENERAL

[illegible]

LEISURE & HOTELS

[illegible]

TOBACCO

[illegible]

TRANSPORT

[illegible]

PROPERTY

[illegible]

OIL, INTEGRATED

[illegible]

SPIRITS, WINES & CIDERS

[illegible]

SOUTH AFRICANS

	Notes	Price	+ or -	1993/94 high	low	Mkt Cap£m	Yld Gr's	P/E
Anglo Am Ind		£13½	—	£13½	£7½	808.4	5.2	11.2
Barlow Rand		£4⁵⁄₁₆xd	+⅛	£10¾	64	810.0	8.4	Φ
Gold Fields SA R		1744	—	1800	725	1,882	2.3	39.9
NK Props	§	80	—	87	65	3.62	15.1	Φ
SASOL	♥	293	+1	308	215	1,889	6.3	-
SA Brews		1477	-13	1621	750	7,889	1.9	34.4
Tiger Oats		838	—	838	513	1,258	1.9	17.7
Tongaat-Hulett	†	462xd	-6	472	212	346.5	3.2	12.8

GUIDE TO LONDON SHARE SERVICE

Comp[illegible] classifications are based on those used for the FT-SE Actuaries Share [illegible]

Closing mid-prices are shown in pence unless otherwise stated. Highs and lows are based on intra-day mid- prices.

Where stocks are denominated in currencies [illegible] than sterling, this is indicated after the name.

Symbols referring to dividend status appear in the notes column daily [illegible] to yields and P/E ratios. Dividends and Dividend covers are published on Monday.

Market cap[illegible] is calculated separately for each [illegible] quoted.

Estimated price/earnings ratios are [illegible] latest annual reports and accounts and, where possible, are [illegible] interim figures. P/Es are calculated on "net" distribution basis, e[illegible] per share being computed on profit after taxation, excluding excep[illegible] profits/losses and unrelieved ACT where applicable. Yields are based [illegible] prices, are gross, adjusted for a dividend tax credit of 20 per cent [illegible] for value of declared distribution and rights.

Estimated Net Asset Values (NAV) [illegible] ment Trusts, in pence per share, along with [illegible] (Dis) or premium (Pm -) to the current pre-c[illegible] basis assumes prior charges at par value, [illegible] converted [illegible] exercised if dilution occurs.

□ Indicates the most actively traded [illegible] K stocks where transactions and prices are [illegible] through the Stock Exchange Automated Quota[illegible]
* Highs and lows marked thus [illegible] for rights issues for cash
† Interim since increased or resumed
‡ Interim since reduc[illegible] assed or d[illegible]
Φ Figures or report a[illegible]
♥ Not officially UK li[illegible] dealings permitted under rule 535(4)(a)
♣ Free annual/interim [illegible] available, see details below
[illegible] sted on [illegible] Exchange and company not subjected to [illegible] ulation as listed securities.
‡‡ Not o[illegible] per[illegible] under [illegible] 35(2)
¶ Price[illegible]
¶ Indicated dividend [illegible] pending scrip and/or rights issue.
♦ Merger bid or reorganisation in progress
§ Forecast dividend yield; p/e based on earnings updated by latest interim statement.
Φ Unregulated collective investment scheme.

a Yield based on annualised dividend
b Figures based on prospectus or other official estimates.
c Cents.
f Flat yield.
g Assumed dividend yield after rights issue.
h Assumed dividend yield after scrip issue.
n Rights issue pending
q Earnings based on preliminary figures.
s Dividend yield excludes a special payment.
t Indicated dividend yield, p/e ratio based on latest annual earnings.
u Forecast, or estimated annualised dividend yield, p/e based on previous year's earnings

v Not subject to ACT.
z D[illegible] inc- [illegible] payment [illegible] prospectus or other official estimates for 1994-95.
G Assumed yield after pending scrip and/or rights issue.
H Yield based on prospectus or other official estimates for 1993.
K Yield based on prospectus or other official estimates for 1992-93
L Estimated annualised yield, p/e based on latest annu[illegible]
M Yield bas[illegible] prospectus or other official estimates for

1[illegible]
N [illegible] based on MMR '1[illegible] s'
[illegible] on [illegible] er [illegible] for 1994.
R Forecast annualised yield, p/e based on prospectus or other official estimates.
T Figures assumed.
W Pro forma figures.
Z Dividend yield to date.

Abbreviations:
xd ex dividend;
xc ex scrip issue;
xr ex rights;
xa ex all;
xδ ex capital distribution.

This service is available to companies [illegible] shares are regularly traded in the United Kingdom for a fe[illegible] 35 a year [illegible] security shown, subject to the Editor's [illegible] tion

FT Free Annual Reports Service

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FT Cityline

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An international service is available for callers outside the UK, annual subscription £250 stg.

Call 071-873 4378 (+44 71 873 4378, International) for more information on FT Cityline.

FT MANAGED FUNDS SERVICE

● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (071) 873 4378 for more details.

AUTHORISED UNIT TRUSTS

Guide to pricing of Authorised Unit Trusts

Compiled with the assistance of Lautro §§

INITIAL CHARGE: Charge made on sale of units. Used to defray marketing and administrative costs, including commission paid to intermediaries. This charge is included in the price of units.

OFFER PRICE: Also called issue price. The price at which units are bought by investors.

BID PRICE: Also called redemption price. The price at which units are sold back by investors.

CANCELLATION PRICE: The minimum redemption price. The maximum spread between the offer and bid prices is determined by a formula laid down by the government. In practice, most unit trust managers quote a much narrower spread. As a result, the bid price is often set above the cancellation price. However, the bid price might be moved to the cancellation price by the managers at any time, usually in circumstances in which there is a large excess of sellers of units over buyers.

TIME: The time shown alongside the fund manager's name is the time of the unit trust's valuation point unless another time is indicated by the symbol alongside the individual unit trust name. The symbols are as follows: (♥) - 0001 to 1100 hours; (♣) - 1101 to 1400 hours; (♦) - 1401 to 1700 hours; (♠) - 1701 to midnight. Daily dealing prices are set on the basis of the valuation point; a short period of time may elapse before prices become available.

HISTORIC PRICING: The letter H denotes that the managers will normally deal on the price set on the most recent valuation. The prices shown are the latest available before publication and may not be the current dealing levels because of an intervening portfolio revaluation or a switch to a forward pricing basis. The managers must deal at a forward price on request, and may move to forward pricing at any time.

FORWARD PRICING: The letter F denotes that the managers deal at the price to be set on the next valuation. Investors can be given no definite price in advance of the purchase or sale being carried out. The prices appearing in the newspaper are the most recent provided by the managers.

SCHEME PARTICULARS AND REPORTS: The most recent report and scheme particulars can be obtained free of charge from fund managers.

Other explanatory notes are contained in the last column of the FT Managed Funds Service.

§§ Life Assurance and Unit Trust Regulatory Organisation, Centre Point, 103 New Oxford Street, London WC1A 1QH Tel: 071-379-0444.

FT MANAGED FUNDS SERVICE

● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help [illegible] on (071) 873 [illegible] for more details.

	Init Chrge	Canc Price	Bid Price	Offer Price	+ or -	Yield Gr's
TSB Unit Trusts (1200)F						
Charlton Pl, Andover, Hants. SP10 1RE 0264 346794						
TSB American	6	[illegible]	[illegible]	[illegible]	[illegible]	–
Do Accum	6	[illegible]	[illegible]	[illegible]	[illegible]	–
TSB Intl Growth	6	[illegible]	102.10	[illegible]	[illegible]	[illegible]
Do Accum	6	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
TSB European	6	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Do Accum	6	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
TSB Extra Income	6	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Do Accum	6	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
TSB Smaller Cos	6	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Do Accum	6	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
TSB General	6	[illegible]	[illegible]	[illegible]	[illegible]	2.04
Do Accum	6	[illegible]	[illegible]	[illegible]	[illegible]	2.04
TSB Premier Income	6	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Do Accum	5	121.75	[illegible]	[illegible]	-0.15	[illegible]
TSB Income	6	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Do Accum	6	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
TSB Pacific	6	[illegible]	[illegible]	[illegible]	[illegible]	–
Do Accum	6	[illegible]	[illegible]	[illegible]	[illegible]	–
TSB International	6	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Do Accum	6	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
TSB Nat Resources	6	[illegible]	[illegible]	[illegible]	[illegible]	–
Do Accum	6	[illegible]	[illegible]	[illegible]	[illegible]	–
TSB Spcl Opps	6	[illegible]	[illegible]	[illegible]	[illegible]	1.20
Do Accum	6	[illegible]	[illegible]	[illegible]	[illegible]	1.20
Environmental Inv	6	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Do Accum	6	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
TSB Selector	6	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Do Accum	6	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
TSB High Income	6	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Do Accum	6	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
TSB Intl Income	6	[illegible]	[illegible]	[illegible]	–	[illegible]
Do Accum	6	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
TSB Selector Income	6	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Do Accum	6	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
T.U. Fund Managers Limited (1200)H						
NLA Tower, Addiscombe Road, Croydon						
T.U. British	5	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
T.U. European		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Templeton Unit Trust Managers Ltd (1200)F						
Abbot Crescent, Edinburgh [illegible]						
Global Growth Acc	6	[illegible]	[illegible]	[illegible]	[illegible]	1.71
Global Growth Inc	6	[illegible]	[illegible]	[illegible]	[illegible]	1.71
Global Balanced Acc	6	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Global Balanced Inc	6	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Value Tst Acc	6	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Value Tst Inc	6	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Thornton Unit Managers Ltd (1200)F						

	Bid Price	Offer Price	+ or -	Yield Gross
Thornton Unit Managers Ltd				
Managed Exempt Dec [illegible]	141.74	147.78	–	2.47
(Accum Units)	[illegible]	[illegible]	–	2.47

INSURANCES

	Bid Price	Offer Price	+ or -	Yield Gross
AXA Equity & Law Life Assce				
Amersham Road, High Wycombe				
UK Equities Ser 6	[illegible]	[illegible]	-2.8	–
Higher Income Ser 6	[illegible]	[illegible]	-2.8	–
Property Ser 6	[illegible]	[illegible]	[illegible]	–
Fixed Interest Ser 6	[illegible]	[illegible]	-0.4	–
Index Linked Secs Ser 6	[illegible]	[illegible]	–	–
Gtd Deposit Ser 6	[illegible]	[illegible]	+0.4	–
Nth America Ser 6	[illegible]	[illegible]	[illegible]	–
Far East Ser 6	[illegible]	[illegible]	[illegible]	–
Europe Ser 6	[illegible]	[illegible]	[illegible]	–
International Ser 6	[illegible]	[illegible]	[illegible]	–
Balanced Ser 6	[illegible]	[illegible]	[illegible]	–
Reserve Ser 6	[illegible]	[illegible]	[illegible]	–
Opportunity Ser 6	[illegible]	[illegible]	[illegible]	–
Distribution Ser 6	[illegible]	[illegible]	[illegible]	–
Pens Equity Ser 3	[illegible]	[illegible]	[illegible]	–
Pens Higher Inc S 3	[illegible]	[illegible]	[illegible]	–
Pens Fixed Int S 3	[illegible]	[illegible]	[illegible]	–
Pens Index-Linked Ser 3	[illegible]	[illegible]	[illegible]	–
Pens Property S 3	[illegible]	[illegible]	–	–
Pens N America S 3	[illegible]	[illegible]	[illegible]	–
Pens Far East S 3	[illegible]	[illegible]	[illegible]	–
Pens Europe S 3	[illegible]	[illegible]	[illegible]	–
Pens Overseas S 3	[illegible]	[illegible]	[illegible]	–
Pens Balanced S 3	[illegible]	[illegible]	[illegible]	–
Pens Cash S 3	[illegible]	[illegible]	–	–
Pens DAF Series 3	[illegible]	[illegible]	–	–
Pens DAF Series 1	[illegible]	[illegible]	–	–
Pens Opportunity S 3	[illegible]	[illegible]	[illegible]	–
Pens Reserve S 3	[illegible]	[illegible]	[illegible]	–
Abbey Life Assurance Co Ltd				
80 Holdenhurst Road, Bournemouth				

[illegible]

OTHER UK UNIT TRUSTS

[illegible]

FT MANAGED FUNDS SERVICE

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	Bid Price	Offer Price	+ or -	Yield Gross
Royal Heritage Life Assurance Ltd - Contd.				
Baillie Gifford Funds				
British	404.4	425.7	-2.7	-
European	252.9	266.2	+1.1	-
Frontier Markets	238.0	250.6	-2.0	-
Global Bond	120.4	126.8	+0.3	-
Gold Intl Resources	99.4	104.7	-0.1	-
High Inc	323.2	340.3	-	-
Hong Kong	525.1	552.8	-3.2	-
Income	463.1	487.5	-2.1	-
Japan	405.0	426.4	-0.2	-
UK Smlr Cos	340.2	358.2	+1.2	-
Man Gth	496.1	522.3	-1.6	-
Global Inc & Gwth	176.0	185.3	-	-
Pacific Growth	378.9	398.2	-0.5	-
INVESCO MIM				
European Smaller	188.4	198.4	+0.7	-
Sth & East Asia Gwth	390.4	411.0	-0.3	-
Inc Growth	333.8	351.4	-1.9	-
Japan Smlr Cos	242.7	255.5	+0.6	-
Man Growth	265.7	279.7	-0.7	-
Gilt	88.8	93.5	-0.1	-
Perpetual Funds				
International Growth	178.2	187.7	-0.2	-
American Growth	225.6	237.5	+2.8	-
Intl Emerging Cos	270.3	284.8	-1.0	-
European	204.0	214.8	+0.5	-
Managed	206.5	217.4	-0.6	-
Royal Life Insurance Ltd				
New Hall Place, Liverpool L69 3HS			051-239 3000	
Royal Shield Fd.	979.4	1036.3	-	-
Royal Life (Unit Linked Assurances) Ltd				
Managed Fund	392.4	413.0	-	-
Equity Fund	565.2	594.9	+0.1	-
Property Fund	306.3	322.4	-0.1	-
International Fund	485.3	510.8	+0.4	-
Gilt Fund	382.1	402.2	-1.2	-
Money Fund	216.8	227.8	-	-
United States Fund	256.6	270.1	+3.0	-
Pacific Basin	302.2	318.1	-2.7	-
Royal Life (Unit Linkd. Pension Fds) Ltd				
Exempt Man Fd Acc	483.8	509.2	+0.3	-
Exempt Equity Fd Acc	850.4	895.1	-2.1	-
Exempt Prop Fd Acc	315.2	331.7	-	-
Exempt Intl Fd Acc	794.7	836.5	+0.4	-
Exempt Gilt Fd Acc	455.4	479.3	-1.7	-

	Bid Price	Offer Price	+ or -	Yield Gross
Scottish Provident Group - Contd.				
Other Funds				
S&B Select Managed	126.6	133.6	-0.1	-
SWM Superior Growth	230.6	242.6	-	-
SWM Superior Distribution	119.7	126.0	+0.2	-
K&J Haven Managed Pens	137.6	144.9	+0.3	-
Capital Income & Growth	161.6	169.5	+0.7	-
Cap Retirement P'folio	211.1	222.3	-1.8	-
JNJ Managed Pens	187.5	197.4	-0.1	-
Touchstone Retirement P'folio	144.2	151.8	+0.2	-
Invest Bureau Inc & Gwth	119.9	126.2	-0.1	-
Scottish Widows' Group				
PO Box 902, Edinburgh EH16 5BU			031-655 6000	
Inv Pol 1 Jan 7	933.0	983.9	-	-
Inv Pol 2 Jan 7	904.4	952.1	-	-
Inv Pol 3 Jan 7	868.2	914.0	-	-
Inv Pol Cash Ser 2 Jan 7	304.7	320.9	-	-
Inv Pol Cash Ser 3 Jan 7	300.9	316.8	-	-
Mixed Fund	469.8	494.7	-3.5	-
Equity Fund	557.2	586.6	-4.3	-
Property Fund	224.4	236.3	-	-
International Fund	502.5	529.4	-1.8	-
Fixed Int. Fund	401.6	422.8	-0.6	-
Index Stk. Fd.	210.8	222.0	-0.7	-
Cash Fd.	221.7	233.5	+0.1	-
Pens. Mixed Fd. Ord.	629.7	663.0	-3.0	-
Pens. Equity Fd. Ord.	750.8	790.4	-4.8	-
Pens. Prop. Fd. Ord.	304.3	320.4	+0.1	-
Pens. Int. Fd. Ord.	654.4	689.0	-2.1	-
Pens.Fxd.Int.Fd.Ord.	601.2	633.0	-0.9	-
Pens.Ind.Stk.Fd.Ord.	248.4	261.5	-0.9	-
Pen. Cash Fd. Ord.	338.6	356.5	+0.1	-
Building Society	097.4	102.7	-	-
PM Man	3048.6	3048.6	-7.4	-
PM St Ex	3244.8	3244.8	-8.4	-
PM St Ex Eq	139.0	139.0	-0.3	-
PM St Ex FI	151.6	151.6	-0.2	-
PM Property	279.6	279.6	-	-
PM Pens Protection	214.0	214.0	-0.7	-
PM IL Protection	132.1	132.1	-0.3	-
PM Cash	388.0	388.0	-	-
Skandia Life Assurance Co Ltd (z)				
Skandia Hse, Portland Terr, Southampton			0703 334411	
Skandia Price Line 0800 181 [illegible]				
Life Managed Funds				

TSB Life Ltd

Target Life Assurance Co Ltd

Teachers' Assurance Company Ltd

Scottish Amicable

Scottish Equitable plc

Scottish Life Investments

Scottish Mutual Assurance plc

Scottish Provident Group

Standard Life Assurance Company

Sun Alliance Group

Sun Life Assurance Society

Swiss Life (UK) PLC

Wesleyan Assurance Society

Windsor Life Assurance Co Ltd

Zurich Life Assurance Co Ltd

OFFSHORE INSURANCES

MANAGEMENT SERVICES

OFFSHORE AND OVERSEAS

BERMUDA (SIB RECOGNISED)

CANADA (SIB RECOGNISED)

GUERNSEY (SIB RECOGNISED)

GUERNSEY (REGULATED)(**)

IRELAND (SIB RECOGNISED)

IRELAND (REGULATED)(**)

ISLE OF MAN (SIB RECOGNISED)

ISLE OF MAN (REGULATED)(**)

JERSEY (SIB RECOGNISED)

JERSEY (REGULATED)(**)

هكذا من الأصل

FT MANAGED FUNDS SERVICE

● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (071) 873 4378 for more details.

Citibank - Contd.

CMI Asset Management - Contd.

Lloyds Bank Luxembourg

Credit Suisse

Pacific Basin Growth Fund

ISLE OF MAN

JERSEY

LUXEMBOURG (SIB RECOGNISED)

LUXEMBOURG (REGULATED)(**)

SWITZERLAND (SIB RECOGNISED)

OTHER OFFSHORE FUNDS

MANAGED FUNDS NOTES

CURRENCIES [illegible] MONEY

MARKETS REPORT

Sterling nudges DM2.60

Sterling remained in the spotlight yesterday, ahead [illegible] monthly monetary meeting between Mr Kenneth Clarke, the British Chancellor, and Mr Eddie George, governor [illegible] the Bank of England today, [illegible] *Tett.*

[illegible] the new year, [illegible] were speculating whether the authorities would use the opportunity to cut UK [illegible] rates. But strong economic [illegible] seems to have reduced this possibility, thereby fuelling sterling's recent strength. Ironically the upward pressure [illegible] the pound has led [illegible] analysts to wonder whether the Chancellor might yet be prodded into action.

Meanwhile sterling strengthened against both the D-mark and dollar yesterday, [illegible] the D-Mark slipped lower [illegible] Europe.

● The key question currently absorbing the markets is whether sterling will be [illegible] breach the DM2.60 barrier. After drifting upwards in recent weeks, the British [illegible]rency yesterday nudged towards [illegible] barrier, touching DM2.5981, up from yesterday's close of [illegible]

But though the rise provoked a wave of excitement in the markets, sterling later fell back, finally closing half [illegible] pfennig stronger on the day at [illegible]

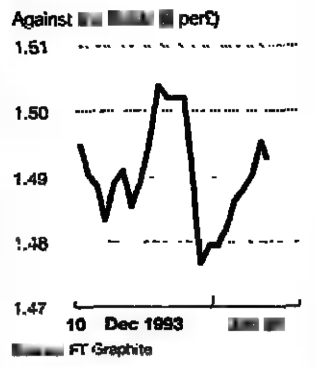
With [illegible] German economy still showing [illegible] sign of emerging from recession, the D-Mark is expected to remain weak against sterling in the near future, dealers say.

Gloom about the German economy was again underlined yesterday by the publication of figures showing that West Ger[illegible] [illegible] fallen by 1.9 [illegible] [illegible] year, compared to 1.6 per cent growth in [illegible]

On [illegible] sterling side though, opinion is more mixed about the British currency's potential.

Although the market now believes that the British recovery is under way, there [illegible] doubts about its pace, with traders looking anxiously to the release of a [illegible] batch of UK economic data later this week. Earnings figures, due to [illegible] published today, will be [illegible] carefully for signs of [illegible] upturn in [illegible] pressure.

Sterling



■ **Pound in New York**

Jan 11	---Latest---	[illegible]
£ spot	1.4915	[illegible]
1 mth	1.4883	[illegible]
3 mth	1.4834	[illegible]
1 yr	1.4688	1.4710

The [illegible] for annual earnings growth of 3 per cent, unchanged from October.

Dealers [illegible] also uncertain about the British government's readiness to impose interest rate cuts or intervene in the [illegible] markets if sterling [illegible] above [illegible]

As the pound nudged higher yesterday, [illegible] circulated [illegible] England had briefly intervened in [illegible] Far Eastern markets [illegible] stem [illegible] rise.

"It [illegible] not inconceivable [illegible] the [illegible] of England would discretely intervene [illegible] restrain sterling," said [illegible] *Michael* Feeny, of Sumitomo Bank.

However, [illegible] usual, [illegible] were unconfirmed and [illegible] dealers doubt [illegible] interest rate [illegible] will [illegible] [illegible] end of February [illegible] beginning of March.

This view [illegible] apparently shared by [illegible] futures [illegible] which yesterday [illegible] about [illegible] basis points lower for the March contract, [illegible] 94.65, [illegible] about [illegible] points lower for [illegible] June contract, [illegible] 94.79. At [illegible] level, dealers [illegible] pricing three month and [illegible] month money [illegible] and 5.21 per [illegible] respectively.

Nevertheless, as Mr David Cocker, treasury adviser at Chemical Bank, points out, the fact that sterling [illegible] nudging at the DM2.60 barrier does [illegible] fresh [illegible] for a [illegible] cut, particularly from British exporters.

"If sterling soars through DM2.60, the market will look for a DM2.65 [illegible] very fast and this will put added pressure on Mr Cl[illegible]ke to cut rates earlier," he [illegible]

Meanwhile, with American investors feeling increasingly positive [illegible] the British [illegible]omy's prospects [illegible] recovery, Mr Cocker believes that the pound will continue to maintain its firm tone against the dollar, in spite of th[illegible] dollar's recent strengthening.

The pound yesterday [illegible] [illegible], [illegible] fraction [illegible] on the previous day's close of $1.4955.

■ Meanwhile, the Bundesbank's attempt to convince the money markets that a German rate cut would not occur soon met with more scepticism [illegible]terday, as the poor German GDP [illegible] expectations about [illegible] early cut.

The mark yesterday weakened against the dollar, closing at $1.7305, down [illegible] $1.7308 the previous day.

[illegible] dollar [illegible] having recouped most [illegible] the losses that [illegible] the [illegible] of weaker-than-expected [illegible] employment data [illegible] Friday, [illegible] American currency is expected [illegible] attempt [illegible] the [illegible] high of [illegible] in the next [illegible] days, [illegible] say.

The [illegible] weakened [illegible] the day against the French franc, in spite of staging a brief rally in the morning. It closed [illegible] Ffr3.401 [illegible] end of London trading, [illegible]pared [illegible] yesterday's close of Ffr3.410.

■ [illegible] parliament due to debate a no confidence motion today, the lira softened yesterday against most [illegible]cies, with the exception of the weak D-Mark. It [illegible] at L978.4 against the D-Mark, compared to a previous close of L983.40. Sentiment [illegible] lira is expected to [illegible] ner[illegible] in [illegible] days, in spite of [illegible] Italian currency's recent bull run.

However, if the political turmoil [illegible] contained, the lira's potential for further rises remains good, dealers said, with many predicting that the Italian lira will join the [illegible]ish krone as [illegible] this year's best performers.

POUND SPOT FORWARD AGAINST THE POUND

[illegible] 11		Closing mid-point	Change on day	[illegible]	Day's Mid high	low	One month Rate	%PA	Three months Rate	%PA	One year Rate	%PA	Bank of Eng. Index
Europe													
Austria	(Sch)	[illegible]	[illegible]	275 - 410	18.2578	18.1700	18.2381	-0.2	18.2475	-0.3	-	-	113.7
Belgium	(BFr)	[illegible]	-0.0012	336 - 101	54.1724	53.9772	54.157	-1.9	54.292	-1.6	[illegible]	-0.9	112.8
Denmark	[illegible]	10.0701	[illegible]	[illegible]	10.0810	10.0476	[illegible]	-1.3	[illegible]	-1.0	10.1161	-0.5	115.5
Finland	(FM)	[illegible]	[illegible]	722 - 900	8.6312	8.5710	-	-	-	-	-	-	80.0
[illegible]	(FFr)	[illegible]	[illegible]	178 - 255	[illegible]	8.8007	[illegible]	-1.2	8.8425	-0.9	[illegible]	-0.4	108.1
Germany	(DM)	2.5944	+0.0061	936 - 952	2.6048	2.5875	2.596	-0.7	2.5974	-0.5	2.597	-0.1	122.7
Greece	(Dr)	373.037	+0.37	601 - 472	373.485	372.595	-	-	-	-	-	-	-
[illegible]	(I£)	1.0418	[illegible]	403 - 432	1.0433	[illegible]	1.0426	-0.9	1.0433	-0.6	[illegible]	[illegible]	104.1
Italy	[illegible]	[illegible]	-7.87	656 - 868	2551.53	2535.11	2544.82	-3.4	2557.17	-3.1	[illegible]	-2.6	76.2
Luxembourg	(LFr)	[illegible]	[illegible]	338 - 101	54.1724	[illegible]	54.157	-1.9	54.292	-1.6	[illegible]	[illegible]	112.8
[illegible]	(Fl)	2.9039	[illegible]	027 - 051	[illegible]	[illegible]	[illegible]	-0.1	[illegible]	[illegible]	[illegible]	0.4	118.3
Norway	(NKr)	[illegible]	[illegible]	034 - 101	[illegible]	11.1553	11.2227	-1.7	11.2206	-0.5	[illegible]	[illegible]	[illegible]
Portugal	[illegible]	[illegible]	[illegible]	311 - 846	264.306	262.442	[illegible]	-6.4	[illegible]	-6.1	-	-	-
[illegible]	(Pta)	[illegible]	[illegible]	226 - 522	[illegible]	[illegible]	216.154	-4.3	[illegible]	-3.5	[illegible]	-2.8	83.6
[illegible]	[illegible]	[illegible]	+0.0533	[illegible] - 258	12.2616	12.1441	[illegible]	-2.7	[illegible]	-1.7	[illegible]	-1.3	75.4
[illegible]	(SFr)	2.2033	[illegible]	022 - 044	2.2059	2.1941	[illegible]	1.3	2.1959	1.3	[illegible]	1.5	117.0
UK	(£)	-	-	-	-	-	-	-	-	-	-	-	82.5
[illegible]	-	[illegible]	[illegible]	391 - 408	1.3410	[illegible]	1.3414	-1.3	[illegible]	-1.0	[illegible]	-0.4	-
[illegible]	-	0.921307	-	-	-	-	-	-	-	-	-	-	-
Americas													
Argentina	(Peso)	1.4893	-0.004	[illegible] - [illegible]	1.4917	1.4853	-	-	-	-	-	-	-
Brazil	(Cr)	[illegible]	[illegible]	[illegible] - 876	543.000	533.000	-	-	-	-	-	-	-
[illegible]	[illegible]	[illegible]	[illegible]	695 - [illegible]	1.9712	1.9624	1.9674	1.7	[illegible]	[illegible]	[illegible]	[illegible]	92.0
[illegible]	(New Peso)	[illegible]	-0.0213	[illegible] - [illegible]	4.6534	4.6291	-	-	-	-	-	-	-
USA	($)	1.4913	-0.0042	910 - 915	1.4941	1.4875	1.4882	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	67.7
Pacific/Middle [illegible]													
Australia	(A$)	2.1611	-0.0134	[illegible] - 622	2.1703	2.1566	2.1596	[illegible]	2.1574	0.7	2.1574	0.2	-
Hong Kong	(HK$)	[illegible]	[illegible]	172 - [illegible]	11.5413	11.4924	11.4995	2.1	11.466	1.9	11.3747	1.3	-
[illegible]	[illegible]	46.7843	-0.1187	727 - [illegible]	46.8660	46.6700	-	-	-	-	-	-	-
Japan	(Y)	167.744	[illegible]	[illegible] - [illegible]	168.690	167.510	167.284	3.3	[illegible]	3.2	162.398	3.2	175.2
Malaysia	(M$)	4.0473	+0.0597	436 - 509	4.0515	3.9635	-	-	-	-	-	-	-
New Zealand	(NZ$)	2.6622	-0.0152	601 - 643	2.6726	2.6581	2.6644	-1.0	2.6674	-0.8	2.6692	-0.3	-
[illegible]	(Peso)	41.1586	-0.1159	[illegible] - [illegible]	-	-	-	-	-	-	-	-	-
Saudi Arabia	[illegible]	[illegible]	[illegible]	908 - 934	5.6024	5.5784	-	-	-	-	-	-	-
Singapore	(S$)	2.3954	+0.0068	942 - [illegible]	2.3967	2.3830	-	-	-	-	-	-	-
S Africa (Com.)	(R)	5.0736	-0.0076	716 - [illegible]	5.0887	5.0637	-	-	-	-	-	-	-
[illegible] Africa (Fin.)	[illegible]	[illegible]	[illegible]	740 - 911	[illegible]	[illegible]	-	-	-	-	-	-	-
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible] 17	[illegible]	-	-	-	-	-	-	-
Taiwan	(T$)	[illegible]	[illegible]	115 - 397	[illegible]	[illegible]	-	-	-	-	-	-	-
Thailand	(Bt)	[illegible]	-0.0476	100 - 526	[illegible]	[illegible]	-	-	-	-	-	-	-

†SDR rate for Jan 10. Bid/offer spreads in the Pound Spot table show only the last three decimal places. Forward rates are not directly quoted to the market but are implied by current interest rates. Sterling index calculated by the Bank of England. Base average 1985 = 100.
Bid, Offer and Mid-rates in both this and the Dollar Spot tables derived from THE WM/REUTERS CLOSING SPOT RATES. Some values are rounded by the F.T.

DOLLAR SPOT FORWARD AGAINST THE DOLLAR

Jan 11		Closing mid-point	Change on day	Bid/offer spread	Day's mid high	low	One month Rate	%PA	Three months Rate	%PA	One year Rate	%PA	Morgan G'ty index
Europe													
[illegible]	(Sch)	[illegible]	[illegible]	250 - [illegible]	12.2520	[illegible]	[illegible]	-2.8	[illegible]	-2.1	[illegible]	-1.4	[illegible]
[illegible]	[illegible]	36.2595	+0.101	400 - 790	36.3140	36.1800	36.3945	-4.6	36.6045	-3.8	37.1295	-2.4	102.4
[illegible]	(DKr)	6.7528	+0.0255	[illegible] - 555	6.7603	6.7320	6.7743	-3.8	6.8063	-3.2	6.8853	-2.0	104.2
Finland	[illegible]	[illegible]	[illegible]	493 - 593	5.7842	5.7440	5.7668	-2.6	5.7825	-2.0	[illegible]	-1.3	74.6
France	(FFr)	[illegible]	+0.0143	140 - 172	[illegible]	[illegible]	5.934	-3.7	5.9618	-3.1	[illegible]	-1.9	[illegible]
Germany	[illegible]	[illegible]	[illegible]	395 - [illegible]	1.7435	1.7335	1.7445	-3.2	1.7513	-2.6	[illegible]	-1.8	[illegible]
[illegible]	(Dr)	[illegible]	[illegible]	900 - 400	[illegible]	[illegible]	254.15	-19.2	261.4	-18.0	294.65	-17.8	71.9
Ireland	(I£)	1.4318	-0.011	297 - 332	1.4417	[illegible]	1.4275	3.4	1.4215	[illegible]	[illegible]	1.8	-
[illegible]	[illegible]	[illegible]	[illegible]	125 - 210	[illegible]	1700.16	1710.08	-5.9	1724.18	-5.3	[illegible]	-4.2	[illegible]
Luxembourg	(LFr)	36.2595	[illegible]	[illegible] - [illegible]	36.3140	[illegible]	36.3945	-4.5	36.607	-3.8	[illegible]	-2.4	[illegible]
[illegible]	(Fl)	1.9473	[illegible]	468 - 478	[illegible]	1.9410	1.9514	-2.6	1.9569	-2.0	[illegible]	-1.1	[illegible]
Norway	(NKr)	7.5150	+0.0392	140 - 160	7.5373	7.4870	7.53	-2.4	7.5527	-2.0	[illegible]	-1.3	[illegible]
Portugal	(Es)	176.750	+0.3	[illegible] - 900	177.300	175.300	178.04	-8.8	180.22	-7.9	187.9	-6.3	[illegible]
Spain	[illegible]	144.425	-0.04	[illegible] - 500	145.150	144.200	145.25	-6.9	146.475	-5.7	150.725	-4.4	[illegible]
Sweden	(SKr)	[illegible]	[illegible]	[illegible] - 970	8.2307	8.1346	8.2283	-5.0	8.2713	-3.9	[illegible]	-2.7	[illegible]
Switzerland	(SFr)	1.4775	[illegible]	770 - 780	1.4806	1.4705	1.4789	-1.2	1.4805	[illegible]	1.4787	[illegible]	[illegible]
UK	(£)	1.4913	[illegible]	[illegible] - 915	1.4941	1.4875	1.4882	2.5	1.4832	[illegible]	[illegible]	1.6	[illegible]
Ecu	-	1.1129	[illegible]	124 - 134	1.1175	1.1118	1.1095	3.7	1.1043	3.1	[illegible]	1.9	-
SDR†	-	[illegible]	-	-	-	-	-	-	-	-	-	-	-
Americas													
Argentina	(Peso)	[illegible]9987	+0.0001	986 - [illegible]	[illegible]	[illegible]	-	-	-	-	-	-	-
Brazil	(Cr)	[illegible]	+5.679	970 - [illegible]	[illegible]	[illegible]	-	-	-	-	-	-	-
[illegible]	(C$)	1.3212	+0.0069	209 - 215	1.3224	1.3170	1.3221	-0.8	1.3231	-0.6	[illegible]	-0.4	[illegible]
[illegible]	(New Peso)	[illegible]	[illegible]	075 - 095	3.1170	3.1075	3.1102	-0.7	3.1143	-0.7	[illegible]	[illegible]	-
USA	($)	-	-	-	-	-	-	-	-	-	-	-	102.8
Pacific/Middle East/Africa													
Australia	(A$)	1.4492	-0.0048	486 - 497	1.4554	[illegible]	1.4503	-0.9	[illegible]	-1.2	1.4609	[illegible]	[illegible]
Hong Kong	(HK$)	7.7250	-	245 - 255	7.7260	7.7245	7.7275	-0.4	7.7302	-0.3	[illegible]	-0.2	-
India	[illegible]	31.3725	[illegible]	700 - [illegible]	31.3780	31.3600	31.4525	-3.1	31.6575	-3.6	-	-	-
Japan	(Y)	112.485	[illegible]	460 - 510	112.860	112.170	112.41	0.8	112.195	[illegible]	[illegible]	1.7	[illegible]
Malaysia	(M$)	2.7140	[illegible]	120 - 160	2.7160	[illegible]	2.7108	1.4	2.716	-0.3	[illegible]	-1.1	-
New Zealand	(NZ$)	1.7853	[illegible]	[illegible] - [illegible]	1.7918	1.7841	1.7866	-0.9	1.7906	-1.2	[illegible]	[illegible]	-
Philippines	[illegible]	27.6000	-	000 - 000	[illegible]	27.4000	-	-	-	-	-	-	-
Saudi Arabia	(SR)	[illegible]	+0.0001	497 - 502	3.7502	3.7497	3.7548	-1.4	3.7675	-1.9	3.7768	-0.7	-
Singapore	(S$)	[illegible]	+0.0091	058 - 068	[illegible]	1.5970	1.6047	1.2	1.6029	0.8	1.6123	-0.4	-
S Africa (Com.)	(R)	[illegible]	[illegible]	015 - [illegible]	3.4095	[illegible]	[illegible]	-6.2	3.4475	-5.3	3.5503	-4.4	-
S Africa (Fin.)	[illegible]	4.2800	+0.005	750 - 850	4.2900	[illegible]	[illegible]	-7.6	4.36	-7.5	-	-	-
South Korea	(Won)	811.200	[illegible]	100 - 300	812.400	[illegible]	814.2	-4.4	817.7	-3.2	836.2	-3.1	-
[illegible]	[illegible]	26.5050	[illegible]	000 - 100	26.5100	[illegible]	26.5639	-2.7	26.686	-2.7	-	-	-
[illegible]	(Bt)	25.5700	[illegible]	[illegible] - [illegible]	25.5600	25.5500	25.61	-1.9	25.665	-1.5	25.89	-1.3	-

†SDR rate for Jan [illegible]. Bid/offer spreads in the Dollar Spot table show only the last three decimal places. Forward rates are not directly quoted to the market but are implied by current interest rates. Morgan Guaranty Changes shown for Jan 10. Base average 1990=100

CROSS-RATES AND DERIVATIVES

EXCHANGE CROSS RATES

Jan.11		BFr	DKr	FFr	DM	I£	L	Fl	NKr	Es	Pta	SKr	SFr	£	C$	$	Y	Ecu
Belgium	(BFr)	100	18.62	16.32	4.797	1.927	[illegible]	5.371	20.73	[illegible]	[illegible]	22.60	[illegible]	[illegible]	3.643	2.758	[illegible]	2.478
Denmark	(DKr)	53.69	10	8.761	2.576	1.035	2520	2.884	11.13	[illegible]	213.9	12.14	2.188	0.993	1.956	1.481	166.5	[illegible]
France	(FFr)	61.29	11.41	10	2.940	1.181	2877	3.292	12.71	298.8	244.2	13.86	[illegible]	1.134	2.233	1.690	[illegible]	[illegible]
Germany	(DM)	20.84	3.882	3.401	1	0.402	978.4	[illegible]	4.322	[illegible]	83.04	4.711	0.849	0.386	0.759	0.575	64.65	0.517
Ireland	(I£)	51.89	9.664	8.466	2.489	1	2436	2.787	10.76	[illegible]	206.7	11.73	2.114	0.960	1.891	[illegible]	160.9	1.288
Italy	(L)	2.130	0.397	0.348	0.102	0.041	100.	0.114	0.442	10.39	8.487	0.481	0.087	0.039	0.078	[illegible]	6.606	[illegible]
Netherlands	(Fl)	18.62	3.468	3.038	[illegible]	[illegible]	[illegible]	1	[illegible]	[illegible]	74.17	4.208	0.759	0.344	[illegible]	[illegible]	[illegible]	0.461
Norway	[illegible]	48.23	8.983	[illegible]	[illegible]	0.930	[illegible]	2.591	10	235.1	192.1	10.90	1.965	0.892	1.757	[illegible]	[illegible]	1.195
Portugal	(Es)	20.51	3.820	3.347	[illegible]	0.395	962.8	[illegible]	4.253	100.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	0.566	63.62	0.508
Spain	[illegible]	25.10	[illegible]	4.096	[illegible]	0.484	1178	1.348	5.204	[illegible]	100.	5.673	1.023	[illegible]	[illegible]	0.692	[illegible]	0.622
Sweden	(SKr)	[illegible]	8.241	7.219	[illegible]	0.853	2077	2.376	[illegible]	215.7	176.3	10	1.803	0.818	1.612	[illegible]	137.2	[illegible]
[illegible]	(SFr)	[illegible]	4.571	4.005	1.177	[illegible]	1152	1.318	[illegible]	119.7	97.78	5.547	1	[illegible]	0.894	0.677	76.12	0.608
UK	(£)	54.07	10.07	8.822	[illegible]	[illegible]	[illegible]	[illegible]	11.21	[illegible]	215.4	[illegible]	2.203	1	1.970	1.491	167.7	1.340
Canada	[illegible]	27.45	5.112	4.478	1.317	[illegible]	[illegible]	1.474	5.690	133.8	[illegible]	6.203	1.118	[illegible]	1	0.757	[illegible]	[illegible]
[illegible]	[illegible]	36.26	6.754	[illegible]	1.740	0.699	[illegible]	[illegible]	7.518	[illegible]	144.5	8.196	1.478	0.671	1.321	1	112.5	0.899
Japan	(Y)	322.4	[illegible]	[illegible]	15.47	[illegible]	[illegible]	17.32	[illegible]	[illegible]	[illegible]	[illegible]	13.14	[illegible]	11.75	[illegible]	[illegible]	[illegible]
Ecu		[illegible]	7.515	[illegible]	[illegible]	0.778	[illegible]	2.187	8.366	[illegible]	160.7	9.119	1.644	[illegible]	1.470	1.113	125.1	1

Yen per 1,000, Danish Kroner, French Franc, Norwegian Kroner and Swedish Kronor per 10; Belgian Franc, Escudo, Lira and Peseta per 100.

■ **D-MARK FUTURES** (IMM) DM 125,000 per DM

	Open	Latest	Change	High	Low	[illegible]	[illegible] Int.
Mar	0.5737	0.5716	-0.0033	0.5741	[illegible]	44,331	137,114
Jun	0.5687	[illegible]	-0.0019	[illegible]	0.5675	384	[illegible]
Sep	-	0.5665	-	-	0.5665	-	-

■ **JAPANESE YEN FUTURES** (IMM) Yen 12.5 per Yen [illegible]

	Open	Latest	Change	High	Low	Est. vol	Open Int.
Mar	[illegible]	0.8899	[illegible]	0.8926	0.8882	[illegible]	[illegible]
Jun	0.8925	[illegible]	[illegible]	0.8930	0.8916	[illegible]	8,116
Sep	-	0.8970	-	-	0.8970	[illegible]	301

■ **SWISS FRANC FUTURES** (IMM) SFr 125,000 per SFr

■ [illegible] **FUTURES** (IMM) [illegible] per £

EMS EUROPEAN CURRENCY UNIT RATES

Jan 11	Ecu cen. rates	Rate against Ecu	Change on day	% +/- from cen. rate	% spread v [illegible]	[illegible]
[illegible]	0.808628	[illegible]	-0.002047	-4.11	8.78	28
Netherlands	2.19672	[illegible]	[illegible]	-1.18	5.66	-
[illegible]	1.94964	[illegible]	+0.00273	-0.57	4.91	-
Belgium	[illegible]	40.3925	+0.0326	0.45	3.84	[illegible]
France	[illegible]	[illegible]	[illegible]	[illegible]	3.48	-7
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Portugal	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Spain	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

NON ERM MEMBERS: Greece, Italy, UK [illegible]

Ecu central rates set by the European Commission. Currencies are in descending relative strength. Percentage changes are for Ecu; a positive change denotes a weak currency. Divergence shows the ratio between two spreads: the percentage difference between the actual market and Ecu central rates for a currency, and the maximum permitted percentage deviation of the currency's market rate from its Ecu central rate.
(17/9/92) Sterling and Italian Lira suspended from ERM. Adjustment calculated by the Financial Times.

■ **PHILADELPHIA SE £/$ OPTIONS** £31,250 (cents per pound)

MONEY RATES

EURO CURRENCY INTEREST RATES

■ **THREE MONTH PIBOR FUTURES** (MATIF) Paris interbank offered rate

■ **THREE MONTH EURODOLLAR** (LIFFE) $1m points of 100%

■ **THREE MONTH EUROMARK FUTURES** (LIFFE) DM1m points of 100%

■ **THREE MONTH EUROLIRA INT.RATE FUTURES** (LIFFE) L1000m points of 100%

■ **THREE MONTH EURO [illegible] FUTURES** (LIFFE) SFr1m points of 100%

■ **THREE MONTH ECU FUTURES** (LIFFE) Ecu1m points of 100%

■ **THREE MONTH EURODOLLAR** (IMM) $1m points of 100%

■ **US TREASURY BILL FUTURES** (IMM) $1m per 100%

■ **EUROMARK OPTIONS** (LIFFE) DM1m points of 100%

■ **EURO SWISS FRANC OPTIONS** (LIFFE) SFr 1m points of 100%

UK INTEREST RATES

LONDON MONEY RATES

UK clearing bank base lending rate 5½ per cent from November 23, 1993

■ **THREE MONTH STERLING FUTURES** (LIFFE) £500,000 points of 100%

■ **SHORT STERLING OPTIONS** (LIFFE) £500,000 points of 100%

BASE LENDING RATES

	%
Adam & Company	5.5
Allied Trust Bank	6.5
AIB Bank	5.5
●Henry Ansbacher	5.5
Bank of Baroda	5.5
Banco Bilbao Vizcaya	5.5
Bank of Cyprus	5.5
Bank of Ireland	5.5
Bank of India	5.5
Bank of Scotland	5.5
Barclays Bank	5.5
Brit Bk of Mid East	5.5
●Brown Shipley	5.5
CL Bank Nederland	5.5
Citibank NA	5.5
City Merchants Bank	5.5
Clydesdale Bank	5.5
The Co-operative Bank	5.5
Coutts & Co	5.5
Credit Lyonnais	5.5
Cyprus Popular Bank	5.5
Duncan Lawrie	5.5
Exeter Bank Limited	6.5
Financial & Gen Bank	6
●Robert Fleming & Co	5.5
Girobank	5.5
●Guinness Mahon	5.5
Habib Bank AG Zurich	5.5
●Hambros Bank	5.5
Heritable & Gen Inv Bk	5.5
●Hill Samuel	5.5
C. Hoare & Co	5.5
Hongkong & Shanghai	5.5
Julian Hodge Bank	5.5
●Leopold Joseph & Sons	5.5
Lloyds Bank	5.5
Meghraj Bank Ltd	5.5
Midland Bank	5.5
* Mount Banking	6
NatWestminster	5.5
●Rea Brothers	5.5
* Roxburghe Bank Ltd is no longer authorised as a banking institution.	8
Royal Bk of Scotland	5.5
●Smith & Williamson Secs	5.5
Standard Chartered	5.5
TSB	5.5
●United Bk of Kuwait	5.5
Unity Trust Bank Plc	5.5
Western Trust	5.5
Whiteaway Laidlaw	5.5
Wimbledon & Sth West	7
[illegible] Bank	[illegible]

● Members [illegible] British [illegible] Banking [illegible] Securities Houses Association
* In administration

MONEY MARKET FUNDS

Money Market Trust Funds

Money Market Bank Accounts

هكذا من الأصل

WORLD STOCK MARKETS

EUROPE

AUSTRIA (Jan 11 / Sch)

BELGIUM/LUXEMBOURG (Jan 11 / Frs.)

DENMARK (Jan 11 / Kr)

FINLAND (Jan 11 / Mks)

FRANCE (Jan 11 / Frs.)

GERMANY (Jan 11 / Dm.)

ITALY (Jan 11 / Lire)

NETHERLANDS (Jan 11 / Fls.)

NORWAY (Jan 11 / Kroner)

SPAIN (Jan 11 / Pta.)

SWEDEN (Jan 11 / Kronor)

SWITZERLAND (Jan 11 / Frs.)

PACIFIC

JAPAN (Jan 11 / Yen)

HONG KONG (Jan 11 / H.K.$)

MALAYSIA (Jan 11 / MYR)

SINGAPORE (Jan 11 / S$)

AUSTRALIA (Jan 11 / Aust$)

NORTH AMERICA

CANADA

TORONTO (Jan 11 / Can $)

4 pm close

MONTREAL (Jan 11 / Can $)

4 pm close

AFRICA

SOUTH AFRICA (Jan 11 / Rand)

[illegible]

Prices supplied by Telekurs

NOTES - Prices on this page are as quoted on the individual exchanges and are mostly last traded prices. Highs/Lows are based on data from Jan 1 1993. ‡ Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

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■ TOKYO - MOST ACTIVE STOCKS: Tuesday, January 11, 1994

	Stocks Traded	Closing Prices	Change on day		Stocks Traded	Closing Prices	Change on day
Nippon Steel	9.2m	321	+3	Mitsubishi Hvy	5.3m	670	+6
Isuzu Motors	8.6m	423	+26	Suzuki Motor	5.2m	1,170	+50
Fujitsu	6.7m	884	+3	Itochu	5.1m	593	+8
Hanwa	6.1m	637	+27	Nikko Sec	4.6m	1,190	+20
Sumitomo Mtl Ind	6.0m	293	+3	Matsushita El Ind	4.5m	1,570	+10

INDICES

[illegible]

Turkey

Istanbul Cmp.(Jan 1986)	25656.6	25447.1	23694.7	25656.60	11/1/94	3865.52	1/1/93

WORLD

MS Capital Int (1/1/70)§	608.1*	611.2	605.9	611.20	11/1/94	488.80	13/1/93

CROSS-BORDER

Eurotrack 100(26/10/90)	1493.81	1483.27	1485.12	1493.81	11/1/94	1063.02	13/1/93
Euro Top-100 (26/6/90)	1258.94	1254.58	1250.18	1258.94	11/1/94	862.73	13/1/93
JCapeOrgps (31/12/88)	(u)	389.95	382.50	395.19	5/1/94	183.92	4/1/93
Barings Emerg.(7/1/92)	167.50	171.51	170.87	172.25	6/1/94	99.81	4/2/93

■ CAC-40 STOCK INDEX FUTURES (MATIF)

	Open	Sett Price	Change	High	Low	Est. vol.	Open int.
Jan	2333.0	2335.0	+8.0	2358.0	2332.0	23,667	40,979
Feb	2345.0	2347.5	+5.5	2368.0	2345.0	547	1,659
Mar	2356.5	2358.5	+6.0	2380.0	2353.0	869	30,590
Jun	2372.0	2355.0	+6.5	2372.0	2369.0	350	1,687

Open interest figures for previous day.

[illegible] Base values of all indices are 100 except Australia All Ordinary and [illegible] Euro Top-100. ISEQ Overall; Toronto Comp./Metals & [illegible] SE All Common - 50 and Standard and Poor's - 10. §§ [illegible] Jan 11 - 2228.10 +3.10.

US INDICES

Dow Jones	Jan 10	Jan 7	Jan 6	1993/4 High	1993/4 Low	Since compilation High	Since compilation Low
Industrials	3865.51	3820.77	3803.88	3865.51 (10/1/94)	3241.95 (20/1/93)	3865.51 (10/1/94)	41.22 (2/7/32)
Home Bonds	105.31	105.16	104.80	111.28 (10/12/93)	103.49 (11/1/93)	111.28 (10/12/93)	54.99 (1/10/81)
Transport	1819.58	1799.21	1802.21	1819.58 (10/1/94)	1453.84 (4/1/93)	1819.58 (10/1/94)	12.32 (8/7/32)
Utilities	224.23	222.88	221.20	256.46 (31/8/93)	217.14 (8/1/93)	256.46 (31/8/93)	10.50 (8/4/32)

DJ Ind. Day's High 3874.52 (3842.15) Low 3804.72 (3776.83) (Theoretical)
Day's High 3865.51 (3826.39) Low 3814.01 (3798.10) (Actual)

Standard and Poors	Jan 10	Jan 7	Jan 6	1993/4 High	1993/4 Low	Since compilation High	Since compilation Low
Composite ‡	475.27	469.90	467.12	475.27 (10/1/94)	429.05 (8/1/93)	475.27 (10/1/94)	4.40 (1/6/32)
Industrials	553.49	547.02	544.77	553.49 (10/1/94)	495.48 (29/4/93)	553.49 (10/1/94)	3.62 (21/6/32)
Financial	44.86	44.38	43.52	48.40 (20/9/93)	39.89 (8/1/93)	48.40 (20/9/93)	8.64 (1/10/74)
NYSE Comp.	262.76	260.34	259.00	262.76 (10/1/94)	236.21 (8/1/93)	262.76 (10/1/94)	4.46 (25/4/42)
Amex Mkt Val	478.76	479.49	479.00	484.28 (2/11/93)	395.84 (8/1/93)	484.28 (2/11/93)	29.31 (9/12/72)
NASDAQ Cmp	786.69	782.94	780.41	787.42 (15/10/93)	645.87 (26/4/93)	787.42 (15/10/93)	54.87 (31/10/72)

■ RATIOS

	Jan 7	Dec 31	Dec 17	Year ago
Dow Jones Ind. Div. Yield	2.65	2.68	2.67	3.19
	Jan 5	Dec 29	Dec 22	Year ago
S & P Ind. Div. yield	2.38	2.38	2.40	2.58
S & P Ind. P/E ratio	27.72	27.21	27.43	26.85

■ STANDARD AND POORS 500 INDEX FUTURES $500 times index

	Open	Latest	Change	High	Low	Est. vol.	Open Int.
Mar	476.00	475.35	-0.65	476.40	475.25	70,478	183,172
Jun	476.80	476.35	-0.75	476.80	476.35	226	3,806
Sep	-	477.60	-	-	477.60	83	789

Open interest figures are for previous day.

■ NEW YORK ACTIVE STOCKS

Monday	Stocks traded	Close price	Change on day
Blockbuster	9,121,700	28	-⅛
Telefonos	8,267,200	65¼	-1⅛
Am Express	4,071,000	29½	+⅜
Gen Motors	3,800,800	59¼	+1⅝
Ford Motor	3,232,100	67¼	+2⅜
Walt Disney	3,179,200	47⅝	+1⅛
Circ City	3,068,600	18¼	+⅜
Merck	3,051,200	37½	+⅜
Am T & T	2,750,900	55	+⅛
Rite Aid	2,745,500	19	+⅛

■ TRADING ACTIVITY

● Volume (million)

	Jan 10	Jan 7	Jan 6
New York SE	317.598	323.367	363.449
Amex	19.177	21.678	22.488
NASDAQ	(u)	330.058	349.206
NYSE			
Issues Traded	2,736	2,718	2,715
Rises	1,332	1,277	1,060
Falls	815	852	1,038
Unchanged	589	589	617
New Highs	139	91	120
New Lows	11	19	25

† Correction. * Calculated at 15.00 GMT. ● Excluding bonds. ‡ Industrial, plus Utilities, Financial and Transportation.
FOLLOWING TECHNICAL PROBLEMS AT TELEKURS, HIGH AND LOW INFORMATION SHOWN FOR STOCKS ON THIS PAGE DO NOT REFLECT 1994 DEALINGS. VALUES SHOWN ARE FOR 1993 ONLY. ♥ Subject to official recalculation.

4 pm close January 11

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

1993/94 High	Low	Stock	Div.	Yld. %	P/E	Sls 100s	High	Low	Close Quote	Chng Prev. Close
15	11½	AAR	0.48	3.2	495	128	u15	14⅞	14⅞	
29⅜	12¾	A L Labs A	0.18	1.3	33	145	14⅜	14⅛	14¼	
67¼	54⅝	AMP	1.60	2.5	22	1218	64⅛	63½	63⅝	-⅛
72¾	55½	AMR			55	3079	70¾	70⅛	70¼	-½
3⅞	1¾	ARX			16	321	u4⅛	4	4⅛	
51½	29⅞	ASA	2.00	3.6	36	1678	u55¾	53⅞	55⅝	+1⅞
30¾	22⅝	AbbotL	0.68	2.3	18	6075	30⅛	29¾	30⅛	+½
12⅝	9¼	Abitibi Pr	0.50	4.0	7	40	u12¾	12¼	12⅜	-⅛
15⅝	8¼	Acptncein			21	43	12¾	12¼	12¾	-⅛
36	25½	ACE Ltd	0.40	1.4	5	810	29¾	29⅜	29⅝	+⅛
12⅝	10¾	ACM Gvt In	1.06	8.5		873	12⅜	12¼	12⅜	+⅛
10⅛	9⅛	ACM GvOpp x	0.80	8.3		100	9⅝	9½	9⅝	
10⅝	8¾	ACM Gvt Sp	0.95	9.4		394	10⅛	10⅛	10⅛	+⅛
12¼	10½	ACM Gvt Se	1.04	8.7		1270	11⅞	11¾	11⅞	+⅛
12¼	9⅝	ACM Man	1.06	9.4		221	11½	11⅜	11½	
9⅜	8⅝	ACM Mangd x	0.72	7.9		87	9⅛	9	9⅛	+⅛
12⅜	7¾	AcmeCtv	0.44	4.5	12	44	9⅞	9⅞	9⅞	+⅛
11⅜	6⅜	Acme Elect			35	27	8¼	7¾	7⅞	-¼
27⅝	18⅜	Acordia	0.44	1.8	13	47	24⅜	24	24	-⅝
16	10⅜	Acuson			59	259	13	12⅞	13	
21¾	17¾	Adams Expr	0.52	2.8	0	123	18⅛	18⅛	18¼	+⅛
66¼	45½	Ad Micro	3.00	6.4		27	47⅞	47	47	-½
32¾	17	AdvMic	3.00	17.0	6	3987	18⅛	17⅝	17⅝	-½
8⅛	5½	Advest Grp	0.16	2.4	11	130	6⅞	6⅝	6⅝	-⅛
24¾	14¼	Advo Inc	0.08	0.4	85	1398	18	17⅞	17⅞	-⅜
[illegible]										

- B -

[illegible]

- C -

[illegible]

- D -

[illegible]

- E -

[illegible]

- F -

[illegible]

- G -

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- H -

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- I -

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- J -

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- K -

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- L -

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- M -

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- R -

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- S -

[illegible]

Continued on next page

NYSE COMPOSITE PRICES

4 pm close January 11

Continued from previous page

[illegible]

1993/94 High	Low	Stock	Div.	Yld. %	P/E	Sls. 100s	High	Low	Close	Chng
90	69⅞	Xerox	3.00	3.3	38	3847	u92	91	91½	-⅝
56½	51½	Xerox4.125	4.12	7.8		2	52⅝	52⅝	52⅝	
53	31¼	Xtra Corp	0.48	1.0	22	738	49⅞	48	49¼	+1¼
29¼	19½	Yankee Egy	1.16	4.9	13	53	24	23⅞	23½	-¼
1⅝	¾	Zapata				19 4010	1⅝	1¼	1⅝	+⅛
10½	5⅞	ZenithEl			3	2585	8½	8	8⅛	-⅛
29¼	19⅝	Zenith Nat	1.00	4.4	10	154	22⅝	22½	22½	-⅛
8	6½	Zentx Inc	0.82	10.5		63	7¾	7⅝	7¾	+⅛
18⅝	12¾	Zero	0.40	2.8	17	139	15	14¼	14¼	-⅝
40¼	25⅛	Zurn Ind	0.88	3.3	58	89	27	26½	26⅞	+⅛
13⅞	12⅝	Zweig Fund	1.24	9.1		382	13¾	13⅝	13⅝	
10⅞	9⅞	Zweig Totl	0.96	9.0		561	10¾	10⅝	10⅝	-⅛

Price data supplied by Telekurs

Owing to problems at Telekurs, year high/low figures for NYSE stocks currently relate to 1993 only.

Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividend are annual disbursements based on the latest declaration. Sales figures are unofficial.

a-dividend also extra(s). b-annual rate of dividend plus stock dividend. c-liquidating dividend. cld-called. d-new yearly low. e-dividend declared or paid in preceding 12 months. g-dividend in Canadian funds, subject to 15% non-residence tax. i-dividend declared after split-up or stock dividend. j-dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k-dividend declared or paid this year, an accumulative issue with dividends in arrears. n-new issue in the past 52 weeks. The high-low range begins with the start of trading. nd-next day delivery. P/E price-earnings ratio. r-dividend declared or paid in preceding 12 months, plus stock dividend. s-stock split. Dividends begin with date of split. sls-sales. t-dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u-new yearly high. v-trading halted. vi-in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies. wd-distributed. wi-when issued. ww-with warrants. x-ex-dividend or ex-rights. xdis-ex-distribution. xw-without warrants. y-ex-dividend and sales in full. yld-yield. z-sales in full.

AMEX COMPOSITE PRICES

4 pm close January 11

[illegible]

NASDAQ NATIONAL MARKET

4 pm close January 11

Stock	Div.	P/E	Sls 100s	High	Low	Last	Chng
ABS Inds	0.20	17	4	11½	11½	11½	+¼
ACC Corp	0.12	57	97	19½	19	19	
Acclaim E		29	5817	23⅛	22⅛	22¾	-⅛
Acme Mtls		34	344	u20¾	19¾	20¼	
Acxiom Cp		32	483	21½	20¾	20¾	-⅜
Adaptech		20	2799	u41	39¾	40⅛	-⅝
ADC Tele		30	1829	36¼	34½	34⅝	-1⅛
Addington		114	130	19½	19	19½	+¼
Adia Serv	0.16	15	33	23	22¾	23	
Adobe Sys	0.20	21	8453	26½	25¾	26¼	+⅛
Advance C		10	204	14½	14¼	14¼	-⅛
Adv Logic		4	731	3⅞	3⅝	3⅝	
Adv Polym		8	389	5⅞	5⅝	5¾	
AdvTchLab		50	34	17¼	16½	17¼	+⅛
Advanta	0.20	18	367	33¾	33¼	33¾	+⅛
Affymax		13	477	17	16½	16¾	
Agency Re		22	593	13⅛	12⅞	13	
AgnicoEa	0.10	150	2386	13½	12⅞	13½	+⅜
Aitco ADR	0.78	19	1547	u53½	53⅛	53¼	-⅜
Aldus Cp		51	1014	27	26¼	26½	
AlexBld	0.80	20	1004	u28	27⅜	27¾	-⅛
Allegh &W		15	54	6⅞	6⅞	6⅞	+⅛
Allen Org	0.48	13	6	31	30	31	
Allen Ph		5	329	8¾	8	8¼	-¼
AlldCapII	1.22	12	242	14¼	13¾	14¼	+½
Alld Cap	0.80	13	374	15	14½	14⅝	-⅜
Alnette C	0.32	497	35	4⅞	4⅞	4⅞	-⅛
Alta Gold	0.06	3	314	1⅞	1⅝	1⅞	+

Stock	Div.	P/E	Sls 100s
Deb Shops	0.20	19	20
Dekalb En	0.32	20	31
Dekalb Ge	0.80	48	92
Delchamps	0.44	11	75
Dell Comp		33	7754
DeltaDSim	0.16	20	22
Dep Gty	1.00	7	296
Devcon	0.20	4	29
DH Tech		14	31
Dibrell B	0.72	10	97
Digi Intl		18	837
Dig Micro		90	1585
Dig Sound		6	901
Dig Syst		9	300
Dionex Cp		15	138
Dixie Yrn	0.20	18	1162
DNA Plant		5	568
Dollar Gn	0.20	25	4407
Dom Bkshs	0.44	55	961
Dorch Hm	0.60	22	151
DracoEngy		9	2974
DressBarn		13	524
Drey GD	0.24	20	1655
Drug Empo	0.08	58	471
DS Bancor	1.09	12	67
Duriron	0.60	28	211
Durr Fill	0.30	24	8
DynastyCl		0	5

[illegible]

AMERICA

US stocks fall back as investors take profits

Wall Street

Profit-taking saw US share prices ease off from their record highs yesterday morning as financial markets awaited this week's important inflation news, *writes Patrick Harverson in New York.*

By 1 pm, the Dow Jones Industrial Average was down 13.23 at 3,852.28, having spent all morning a few points below the opening mark. The more broadly-based Standard & Poor's 500 index was also slightly weaker at the halfway mark, down 1.15 at 474.12, while the Amex composite was down 0.05 at 478.73, and the Nasdaq composite off 0.59 at 786.10. Trading volume was 183m shares by 1 pm, and declines outpaced rises by 1,097 to 851.

After rising for six consecutive days, and setting new record highs four times, no one was surprised yesterday when profit-taking led to early declines in share prices. Monday's big 45-point gain was achieved because of growing confidence among investors about the outlook for the economy, and their decision to respond to that brighter economic picture by buying stocks of companies whose earnings are closely tied to the economic cycle.

Share prices were also aided, as they have been since the start of 1994, by large inflows of institutional funds as money managers sought to put cash collected in the new year to work in the market.

What was surprising yesterday was the extent of the profit-taking, which was not as widespread as might have been expected in the wake of such a strong run. The decline on the Dow never moved much beyond 10 points, and the index traded in a narrow range just below opening values for most of the morning.

Analysts noted that investors were unwilling to sell stocks before the release today and tomorrow of the December inflation data. The numbers are expected to be bullish for bonds and equities, and investors were understandably wary yesterday about selling ahead of a further rally in stocks.

Among individual issues, auto manufacturers, which were so strong on Monday, remained in demand. Chrysler rose $1¼ to $59¾, Ford put on $1⅝ at $69¼ and General Motors firmed $⅝ to $59⅝.

Westinghouse Electric fell $⅛ to $13⅝ after the company unveiled details of its previously announced restructuring plan, which includes write-downs, layoffs and charges against earnings.

Toys 'R' Us rose $⅞ to $38⅞ in heavy trading after the company revealed plans for a $1bn share buy-back operation and announced it would open 114 new stores in 1994.

International Paper fell $⅛ to $73⅝ in spite of reporting fourth quarter net income of $100m, an improvement on the $87m income before special items the company reported a year earlier.

Mexican equities had recovered most of Monday's substantial losses by midsession as concern about the recent spate of rebel activity began to abate.

The IPC index was quoted 120.62, or 4.9 per cent, up at 2,579.73 – this followed a 6.3 per cent drop during the previous session, which was the biggest one-day percentage fall since October 1989.

Turnover was registered at 204m pesos, representing 15.5m shares traded.

Canada

Toronto recovered to trade virtually flat at mid-session as the market searched for direction. The TSE 300 composite index edged up 1.18 to 4,454.39 in brisk turnover of 42m shares.

Advances led declines 325 to 310, with 340 issues holding their ground. The transportation sector led gainers, rising 28.11 to 4,368.50.

Brazilian equities start new year in strong mood

Foreigners have led the buying, writes Angus Foster

A year which looked set to be overshadowed by political and economic uncertainty has started with fireworks in Brazil, where the main stock exchanges have gained some 20 per cent in US dollar terms since the start of the year.

Aggressive foreign buying, especially from the US, has led to sharp price rises in a market which is thinly traded and illiquid by international standards.

Although many in Brazil say that prices will go higher, some foreign observers appear to be turning cautious, especially after the market climbed more than 85 per cent in dollar terms last year.

"The market is concentrating almost wholly on the good news and to some extent has lost touch with reality," according to Mr Stephen Rose of the eponymous London-based brokerage.

São Paulo, the country's largest exchange, and its smaller rival in Rio de Janeiro rose 15.4 per cent and 18.5 per cent respectively in US dollar terms in the first week of January alone. In terms of cruzeiros reais, the inflation plagued local currency, the gains were about 30 per cent.

The buying continued on Monday and São Paulo's Bovespa index of the 54 most active shares was up 197 at 49,736 at midsession yesterday.

Popular stocks such as Petrobra, the government controlled petroleum monopoly, have led the charge, gaining nearly 40 per cent in dollar terms in just five trading days.

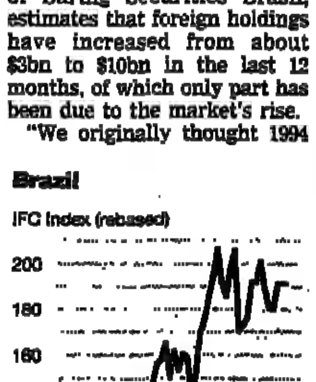
Foreign money started to flow into Brazil last year and has accelerated in the first weeks of this year. According to unoffical estimates, up to one-third of last week's heavy average daily volume of $170m came from foreign buying, which includes non-resident Brazilians.

Mr Robert Barclay, president of Baring Securities Brasil, estimates that foreign holdings have increased from about $3bn to $10bn in the last 12 months, of which only part has been due to the market's rise.

"We originally thought 1994 was going to be a bad year because of the overall uncertainty and tax rises. But the market is now looking ahead to what could happen in 1995 and beyond," he says.

Brazil

IFC Index (rebased)



Source: Datastream

On short term fundementals the Brazilian market looks unattractive. An already weak government runs the risk of becoming a lame duck ahead of presidential and congressional elections in November. Inflation, which passed 2,500 per cent last year, looks set to break the psychologically important 40 per cent a month mark this month.

A "shock" anti-inflation package announced last month by Mr Fernando Henrique Cardoso, the finance minister, introduced a number of tax rises which the private sector complained would hamper economic recovery. As a result, growth this year has been pencilled in by private sector analysts at between nil and 3 per cent.

But according to the optimists, whose views have gained prominence in the local media since the new year, the bulk of Mr Cardoso's shock plan looks increasingly likely to be approved by congress. If so, a new currency anchor – called the URV or unit of real value – will be introduced which, once linked to the US dollar, could lead to a sharp fall in cruzeiro inflation.

And, the optimists add, Mr Cardoso's plan would lead to a balanced government budget and possible approval from the International Monetary Fund of a debt renegotiation with Brazil's commercial creditors. Under such conditions, the argument runs, market valuations would be revalued upwards from their present low levels of about 65 to 70 per cent of book values.

These types of "if" scenarios are alluring in Brazil. As the only major Latin American economy yet to stabilise its economy, and with a GDP roughly twice that of Mexico, a successful economic turnround could be spectacular. "Undoubtedly some people are buying simply out of fear of being left behind," according to one observer.

But many remain unconvinced and argue that betting on Mr Cardoso's plan appears extremely risky given the murky underworld of Brazil's politics. Further, some analysts add, the market remains volatile and lacks long term investors to give it stable direction. As a result, last week's gains can be this week's losses.

"We are telling people to be very cautious and to remember Brazil can go down extremely fast too," says Mr Rose.

EUROPE

Paris finishes off best but still at record

Some of the continent's bourses searched for incentives yesterday, *writes Our Markets Staff.*

PARIS went ever higher, although the CAC-40 index finished off the day's best level of 2,349.20, adding 14.08 to a record 2,331.33.

Turnover was FFr8.8bn.

The pricing of Eurotunnel's fare structure had little effect on the share price by the close, ending just 25 centimes up at FFr55.00, although they had earlier fallen back to FFr52.25 as some investors took the view that the fare range was higher than anticipated.

In contrast Michelin gathered FFr10.90 to FFr240.00 following its announcement after the close of trading on Monday that it was launching a FFr3.5bn convertible bond issue.

James Capel came out strongly following the news, removing the company from its sell list and upgrading it to hold, adding that there was scope "for sentiment to improve as automotive shares move back into favour".

In contrast to Monday's firm upward run, trading in FRANKFURT was unimpressive and the DAX index moved throughtout the session in a narrow 11 point range.

The DAX index closed down 5.04 at 2,228.75. Turnover was DM10bn.

There was little immediate reaction among investors to west German GDP data for 1993, which showed the worst performance for nearly 50 years, as the figures had been widely expected.

Metallgesellschaft recouped most of Monday's losses, closing up DM16 at DM236, while Schering added DM40 to DM1,170 on news that it was to increase production of one of its products in the US.

Chemical stocks were generally unmoved by a positive wage deal in the west German sector: Basf put on DM3.60 to DM304.50.

MILAN built on early gains to end four sessions of losses as positions were covered ahead of the end of the monthly account on Friday. The Comit index added 13.28 to 602.13, although the mood remained fragile ahead of today's parliamentary vote of confidence.

Montedison added L23.90 to L928.70 in huge volume of 51.2m shares – three times the trade of any other share – amid technical covering after the end of its rights issue. Ferruzzi put on L111 or 7.4 per cent in volume of 5.4m shares.

Bargain hunting after recent losses lifted industrials. Fiat added L144 to L4,297 and Pirelli put on L51 to L2,053. Olivetti rose L87 to L2,053 on renewed hopes that it will win Italy's second cellular telephone license.

ZURICH pulled higher after a weak opening, in further reaction to Monday's correction, and the SMI index added 10.7 to 3,026.6.

Foreign selling left SMH SFr37 lower at SFr949 while SBC put on SFr18 to SFr513 as it caught up with recent rises elsewhere in the sector.

Zurich Insurance shed SFr14 to SFr1,558 and Winterthur was SFr11 higher at SFr859 after one Zurich bank recommended that Winterthur had more potential for a short term advance than did Zurich.

AMSTERDAM drifted aimlessly although there was a good performance out of DSM which has been lagging behind other stocks recently.

The chemical groups stock added Fl 2.90 to Fl 110.50, while Akzo improved just 30 cents to Fl 207.90 on news of the European Commissions approval of its merger with Nobel.

The AOE index dipped just 0.41 to 424.01.

MADRID surged 1.6 per cent higher to a record close after a brisk day's trading. The general index rose 5.36 to 3333.39.

The climb was attributed to high liquidity and the calming effect of comments by Banesto's former chairman, Mr Mario Conde, which gave most benefit to banking issues.

Banco Bilbao Vizcaya added Pta80 to Pta3,095 and Banco Central Hispano put on Pta85 to Pta3,245.

WARSAW overcame Monday's hesitant mood and the WIG index pushed 1.9 per cent ahead to a record high as selling slowed down ahead of year-end earnings reports.

The index rose 272 to 13,558 in turnover of 1,500bn zloties.

ISTANBUL finished at a record high for the fourth straight day in spite of heavy mid-session profit-taking after an early rally.

The composite index ended 209.43 at a provisional 25,655.6 after a day's high of 26,788.83.

Written and edited by John Pitt and Michael Morgan

FT-SE Actuaries Share Indices

Jan 11							THE EUROPEAN SERIES	
Hourly changes	Open	10.30	11.00	12.00	13.00	14.00	15.00	Close
FT-SE Eurotrack 100	1489.78	1491.48	1491.73	1492.45	1494.03	1493.38	1494.48	1493.61
FT-SE Eurotrack 200	1563.93	1564.53	1565.25	1565.01	1567.20	1566.03	1566.62	1565.49

	Jan. 10	Jan. 7	Jan. 6	Jan. 5	Jan. 4
FT-SE Eurotrack 100	1493.27	1485.12	1481.29	1473.65	1479.29
FT-SE Eurotrack 200	1567.06	1559.68	1546.25	1540.12	1545.77

Base value 1000 (26/10/90). High/day: 100 - 1495.58, 200 - 1568.85 Low/day: 100 - 1489.68 200 - 1562.47.

ASIA PACIFIC

Warning sends Kuala Lumpur down 5.6%

Tokyo

Profit-taking by financial institutions and corporations eroded most of the morning's gains, but the Nikkei average still closed moderately higher, *writes Emiko Terazono in Tokyo.*

The 225-issue index, which had gained 1.8 per cent on Monday, added 41.81 at 18,485.25. The Topix index of all first section stocks lost 0.45 at 1,500.84, its first decline in nine trading days. In London the ISE/Nikkei 50 index put on 2.34 at 1,246.50.

The Nikkei rose to a high of 18,671.67 in early trading on continued buying by foreign investors and arbitrageurs. However, corporate investors realised gains on holdings to improve profits at the March year-end book closing. The index dipped to a low of 18,373.04 in the early afternoon.

Traders said selling pressure around the mid-18,000 level remained heavy, while a fall in the futures market also triggered index-linked selling. But foreign buying, especially in public works related stocks, helped to counter the falls.

Volume totalled 446m shares, against Monday's 470m. Rises led declines by 621 to 417, with 135 issues unchanged.

Some banks fell on selling by corporate investors of long term holdings. Industrial Bank of Japan shed Y40 to Y2,870 and Dai-Ichi Kangyo Bank Y20 to Y1,800. However, hopes of a reduction in the securities transaction tax supported brokers. Nomura Securities rose Y20 to Y2,010 and Nikko Securities Y20 to Y1,190.

Electric cable and wire companies declined, with Fujikura losing Y3 to Y872. However, Nippon Telegraph and Telephone rose Y4,000 to Y802,000.

Reports that car makers may start restructuring operations by sharing parts encouraged investors: Isuzu Motors advanced Y26 to Y423 and Suzuki Motor Y50 to Y1,170.

In Osaka, the OSE average firmed 106.47 to 20,384.75 in volume of 55.7m shares. Nintendo rose Y310 to Y7,490.

SOUTH AFRICA

A fall in Anglos of R14.50, or nearly 7 per cent, to R105.50 led golds lower, the index losing 72 to 2,138. De Beers hit an intraday high of R113 before closing R1.25 up at R110.25. Industrials fell 65 to 5,677 and the overall index 83 to 4,961.

Roundup

Some of the region's markets fell back sharply after recent gains, but Karachi and Bangkok went higher.

KUALA LUMPUR plunged nearly 5.6 per cent after Mr Daim Zainuddin, a former finance minister and leading political figure, commented that the market had risen too steeply in recent weeks.

The composite index fell 67.20 to 1,139.55 in volume of 566m shares.

Mr David Bates of Asia Equity in London noted that Mr Zainuddin's remarks were to the point as there had been far too much speculation recently, particularly in the few days between Christmas and the new year. He expected the market to consolidate around the 1,000 level.

In SINGAPORE, where Malaysian OTC shares account for more than 60 per cent of trade, the market slid 3.1 per cent as it paid heed to Mr Zainuddin's warning. Investors also responded to a rise in interest rates. The Straits Times Industrials index fell 76.16 to 2,348.20.

HONG KONG dropped sharply but ended above lows as rumours of banks adopting an even tighter mortgage lending policy sparked profit-taking. The Hang Seng index fell 211.13 or 1.9 per cent, to 11,155.81, having hit a day's low of 11,072.28. Turnover was HK$7.7bn.

HSBC Holdings, which fell HK$1 to HK$108, was the most actively traded stock.

Hongkong Land lost 60 cents to HK$26.40, in spite of an early jump on the launch of a $300m convertible bond issue and a nearly 50 per cent revaluation of its assets at the end of 1993.

TAIWAN shed 1.6 per cent on profit-taking after its bull run and the recent tightening of liquidity in the money market, which has sent short-term interest rates soaring.

The weighted index opened higher and peaked at 6,392 before turning down to finish 103.44 lower at 6,240.39. Turnover was heavy at T$119.29bn.

SEOUL traded higher in a day of low volume on the back of renewed strong interest in expensive blue chip manufacturings and an absence of selling by the Korea Stock Market Stabilisation Fund. The composite stock index added 7.98 to 881.02.

MANILA retreated as investors continued to take profits. The composite index lost 70.17 or 2.2 per cent to 3,089.39. Turnover was 2.2bn pesos.

AUSTRALIA was firmer but a turnaround in the futures market took the local bourse off its post-1987 crash high set earlier in the day. The All Ordinaries index added 8.1 to 2,206.7, but down from an intra-day high of 2,216.5. Turnover was A$541.3m.

BANGKOK reversed the losses of Monday and put on nearly 4 per cent. The SET index gained 59.78 to 1,605.06 in turnover down to some Bt20bn, after last week's levels of around Bt40bn.

KARACHI set a record high on the last day of the account. The KSE index rose 33.14 to 2,348.46 with financial and energy stocks seeing sharp gains on heavy buying by institutions. BOMBAY turned cautious as market makers worried that they could be pressured into complying with the regulator's order banning forward trade. The BSE 30-share index closed 41.46 down at 3,780.10.

FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Ltd., Goldman, Sachs & Co. and NatWest Securities Ltd. in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS	MONDAY JANUARY 10 1994								FRIDAY JANUARY 7 1994					DOLLAR INDEX		
Figures in parentheses show number of lines of stock	US Dollar Index	Day's Change %	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	Local % chg on day	Gross Div. Yield	US Dollar Index	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	1993/94 High	1993/94 Low	Year ago (approx)
Australia (69)	171.15	+0.8	169.68	121.41	154.01	165.51	+0.6	3.11	169.87	168.97	120.07	153.08	164.50	171.15	117.39	119.29
Austria (17)	188.51	+1.5	186.88	133.73	169.63	169.44	+1.3	0.94	185.74	184.76	131.30	167.38	167.19	188.51	131.16	133.48
Belgium (42)	164.91	-0.5	163.48	116.97	148.39	147.05	-0.1	3.91	165.71	164.83	117.12	149.32	147.14	166.01	131.19	133.97
Canada (107)	141.23	+1.3	140.01	100.18	127.08	134.41	+0.7	2.50	139.40	138.67	98.53	125.61	133.50	141.23	111.41	113.29
Denmark (32)	259.40	+1.4	257.16	184.02	233.42	237.35	+1.2	0.98	255.89	254.53	180.88	230.58	234.60	259.40	185.11	189.64
Finland (22)	134.32	+2.0	133.16	95.29	120.87	161.77	+1.7	0.65	131.72	131.02	93.11	118.70	159.12	134.32	65.50	71.10
France (99)	180.83	+0.5	179.27	128.27	162.70	167.39	+0.6	2.78	179.90	178.95	127.16	162.10	166.44	180.83	142.72	144.55
Germany (59)	139.31	+1.2	138.11	98.84	125.36	125.36	+1.1	1.65	137.62	136.89	97.29	124.01	124.01	142.38	101.59	102.68
Hong Kong (56)	471.12	+3.4	467.05	334.20	423.95	467.26	+3.4	2.34	455.54	453.13	322.00	410.53	451.79	506.56	218.82	227.15
Ireland (14)	202.60	+0.7	200.85	143.72	182.30	197.90	-0.3	2.86	201.28	200.21	142.28	181.38	198.58	202.60	129.28	144.96
Italy (69)	65.87	-0.9	65.30	46.72	59.27	83.73	-0.4	1.95	66.43	66.08	46.96	59.86	84.06	76.93	53.78	55.08
Japan (469)	134.74	+0.9	133.57	95.58	121.26	95.58	+1.3	0.86	133.55	132.84	94.40	120.36	94.40	165.91	100.75	102.82
Malaysia (69)	576.28	+1.0	571.31	408.79	518.55	591.82	+2.6	1.23	570.50	567.47	403.25	514.09	577.44	621.63	251.68	255.03
Mexico (18)	2407.56	-2.0	2386.78	1707.91	2166.42	8197.00	-1.8	0.62	2457.89	2444.85	1737.40	2214.90	8344.18	2457.89	1410.30	1690.82
Netherland (26)	203.45	-0.1	201.69	144.32	183.07	179.65	-0.2	2.95	203.59	202.51	143.91	183.47	180.15	203.59	150.39	151.02
New Zealand (14)	69.97	+1.8	69.36	49.64	62.96	66.51	+1.5	3.52	68.74	68.37	48.59	61.94	65.52	69.97	40.56	40.98
Norway (23)	190.78	+0.9	189.13	135.34	171.67	193.56	+0.8	1.32	189.01	188.01	133.61	170.33	192.06	190.78	137.71	142.15
Singapore (45)	366.20	+1.4	363.03	259.78	329.51	268.53	+1.5	1.53	361.04	359.13	255.21	325.34	265.62	378.92	207.04	210.24
South Africa (60)	278.48	-0.6	276.07	197.54	250.58	260.20	-0.6	2.17	280.26	278.77	198.10	252.54	261.71	280.26	144.72	156.20
Spain (42)	139.76	+1.0	138.56	99.15	125.76	152.96	+0.7	3.91	138.43	137.70	97.86	124.74	151.93	145.24	115.23	118.22
Sweden (36)	211.43	+1.0	209.60	149.99	190.25	254.57	+0.5	1.37	209.38	208.27	148.01	188.69	253.18	211.43	149.70	162.61
Switzerland (49)	165.88	-0.5	164.45	117.68	149.26	150.87	-0.7	1.43	166.68	165.79	117.83	150.22	151.95	166.68	108.91	108.91
United Kingdom (215)	209.55	+0.2	207.74	148.64	188.55	207.74	-0.2	3.46	209.24	208.13	147.89	188.53	208.12	209.55	162.00	173.20
USA (516)	193.25	+1.1	191.58	137.09	173.90	193.25	+1.1	2.70	191.15	190.13	135.12	172.26	191.15	193.25	175.38	176.16
Europe (745)	172.86	+0.3	171.37	122.63	155.56	167.07	+0.1	2.71	172.33	171.41	121.81	155.30	166.85	172.86	133.82	135.41
Nordic (113)	202.89	+1.2	201.14	143.93	182.57	212.44	+0.9	1.17	200.49	199.42	141.72	180.67	210.63	202.89	142.13	147.86
Pacific Basin (722)	148.81	+1.1	147.52	105.56	133.90	108.67	+1.4	1.13	147.18	146.40	104.04	132.63	107.32	168.80	105.86	107.52
Euro-Pacific (1467)	158.66	+0.7	157.29	112.55	142.76	131.20	+0.8	1.84	157.49	156.65	111.32	141.91	130.10	162.86	117.26	118.81
North America (625)	189.99	+1.1	188.35	134.80	170.99	189.19	+1.1	2.69	187.91	186.91	132.84	169.36	187.17	189.99	171.51	172.26
Europe Ex. UK (530)	150.05	+0.4	148.75	106.46	135.05	149.31	+0.3	2.23	149.42	148.63	105.64	134.66	142.82	150.05	112.51	113.09
Pacific Ex. Japan (253)	282.88	+2.0	280.44	200.70	254.57	261.71	+2.3	2.31	277.21	275.74	195.98	249.83	255.92	296.36	152.70	153.65
World Ex. US (1652)	161.04	+0.7	159.65	114.25	144.92	134.64	+0.8	1.85	159.94	159.09	113.06	144.13	133.61	162.99	118.51	120.08
World Ex. UK (1955)	167.07	+0.9	165.63	118.53	150.35	147.71	+1.0	2.02	165.54	164.66	117.02	149.19	146.21	168.66	134.22	134.68
World Ex. So. Af. (2110)	170.09	+0.9	168.62	120.67	153.07	152.02	+0.9	2.17	168.64	167.75	119.22	151.98	150.64	170.46	137.29	138.00
World Ex. Japan (1701)	191.27	+0.8	189.62	135.70	172.14	187.33	+0.8	2.63	189.70	188.70	134.11	170.97	185.90	191.27	157.47	157.88
The World Index (2170)	170.76	+0.8	169.29	121.14	153.67	152.88	+0.9	2.17	169.34	168.44	119.70	152.61	151.53	170.76	137.32	138.02

Constituent changes 11/1/94: Reclassification: Playmates Holdings from Toys (482) to Real Estate (161). Name change: Playmates Holdings to Playmates Properties Holdings (Hong Kong). Amendments to indices 7/1/94 applied to Hong Kong and related regional indices. Latest prices were unavailable for this edition.